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# APPROPRIATION REPORT

## SPECIAL SESSION - I

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Submitted by  
The Office of Legislative Fiscal Analyst

Helena, Montana  
January 1982

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GENERAL FUND APPROPRIATION SUMMARY  
1981 LEGISLATURE

		<u>Fiscal</u> <u>1981</u>	<u>Fiscal</u> <u>1982</u>	<u>Fiscal</u> <u>1983</u>	<u>1983</u> <u>Biennium</u>
<u>Ongoing Appropriations</u>					
HB 1	Feed Bill	\$ 3,222,944	420,000		420,000
HB 2	Agencies-Operating		265,952,544	271,275,334	537,227,878
HB 94	Deficiency Appropriations	16,451,008			
HB 114	School for Deaf and Blind	124,095			
HB 217	Aging Services		\$ 125,000	\$ 125,000	\$ 250,000
HB 568	Gifted and Talented		100,000	100,000	200,000
HB 578	Licensing Center		39,662	34,962	74,624
HB 611	School Foundation-Spending			16,220,000	16,220,000
HB 620	Reenlistment		7,000	14,000	21,000
HB 800	Battered Spouses		40,500	40,500	81,000
HB 832	Small Business Conferences		5,000	5,000	10,000
HB 840	Pay Plan		15,012,399	34,190,837	49,203,236
HB 845	Commerce-Transportation		102,313	222,313	324,626
HB 865	Deficiency Appropriations	259,705			
SB 355	County Reimbursement		15,000,000	15,000,000	30,000,000
	Total Ongoing	\$20,057,752	\$296,804,418	\$337,227,946	\$634,032,364
<u>One-Time Appropriations</u>					
HB 23	Air Pool	\$ 203,039			
HB 560	Bd. of Examiners-Judgement	318,429			
HB 611	School Foundation-Reserve		\$ 15,780,000		\$ 15,780,000
HB 810	Preserve Rail Services			\$ 258,000	258,000
HB 827	Telecommunications		87,191	98,269	185,460
HB 828	Coal Tax Lobbying	500,000			
HB 833	Prison Fence	158,500			
HB 838	Leg. Audit-Revolving Fund		157,500		157,500
HB 863	G. Strong Suit	11,500			
HB 864	Dept. Health-Study at Saco		10,000		10,000
HB 868	Hiway Reconstruction Trust		12,000,000	12,000,000	24,000,000
HB 873	Anaconda-Deer Lodge	160,844			
	Total One-Time	\$ 1,352,312	\$ 28,034,691	\$ 12,356,269	\$ 40,390,960
	Total General Fund Appropriations	<u>\$21,410,064</u>	<u>\$324,839,109</u>	<u>\$349,584,215</u>	<u>\$674,423,324</u>

# GENERAL FUND REVENUE ESTIMATE UPDATE

The following table summarizes our general fund revenue estimate for the 1983 biennium. All statutory changes and estimate revisions have been incorporated into the projections.

Table 1  
Estimated General Fund Revenues  
(000)

Category	---Actual---		--Projected--		-Percent Change-		
	1980	1981	1982	1983	80-81	81-82	82-83
Personal & Corp. Tax	\$113,050.3	\$124,426.0	\$106,719.0	\$115,911.0	10.1	(14.2)	8.6
Long Range Bond	20,700.0	26,500.0	18,293.0	23,069.0	28.0	(31.0)	26.1
Coal Severance Tax	20,222.6	13,378.9	18,202.0	20,364.0	(33.8)	36.1	11.9
Interest on Investments	18,644.7	34,003.0	37,904.0	43,666.0	82.4	11.4	15.2
Insurance Taxes	11,031.8	9,551.0	13,523.0	14,750.0	(13.4)	41.6	9.1
Liquor Profits	5,500.9	7,499.1	6,500.0	6,500.0	36.3	(13.3)	0.0
Oil Production	10,544.6	18,654.5	46,435.0	52,264.0	76.9	148.9	12.6
Inheritance Taxes	8,537.2	6,195.1	5,551.0	5,382.0	(27.4)	(10.4)	(3.0)
Institutional Reimburs.	7,992.6	9,972.3	11,254.0	10,142.0	24.8	12.8	(9.9)
Liquor/Wine Tax	7,077.1	7,272.6	8,096.3	8,974.7	2.8	11.3	10.9
Cigarette Tax	3,967.4	3,970.5	0.0	0.0	0.1		
Metal Mines Tax	2,516.8	1,564.6	2,715.0	3,020.0	(37.8)	73.5	11.2
Energy Tax	2,061.0	1,368.0	2,122.0	2,169.0	(33.6)	55.1	2.2
Drivers' License	1,743.0	1,771.5	1,807.0	1,843.0	1.6	2.0	2.0
Telephone Tax	1,783.8	2,039.4	2,337.0	2,445.0	14.3	14.6	4.6
Beer License & Tax	1,446.0	1,546.8	1,520.0	1,560.0	7.0	(1.7)	2.6
Natural Gas Tax	1,264.0	1,881.3	2,034.0	2,268.0	48.8	8.1	11.5
Gross Receipts Tax	1,728.6	391.3	355.0	445.0	(77.4)	(9.3)	25.4
Other	8,319.2	10,540.9	11,770.0	13,142.0	26.7	11.7	11.7
General Fund Total	\$248,131.6	\$282,526.8	\$297,137.3	\$327,914.7	13.9	5.2	10.4
	=====	=====	=====	=====	=====	=====	=====

As shown the general fund total is expected to increase five percent in fiscal 1982 and about ten percent in fiscal 1983.

The expected balance of the general fund for the next biennium is illustrated in table 2. As shown we expect the general fund balance to be about \$12 million at the end of the 1983 biennium.

Table 2  
Projected General Fund Balance for June 30, 1983  
(in Millions)

Beginning Balance 7/1/81	\$ 59.1
Revenue	<u>625.1</u>
Total Available	\$684.2
Appropriations	\$678.5
Session Cost - 1983	4.0
Reversions	<u>(10.0)</u>
Total Expenditures	\$672.5
Ending Balance 6/30/83	\$ 11.7 =====

Table 3 shows general fund appropriations total \$678.5 million for the 1983 biennium. This is \$9.2 million above the regular session. The \$4.1 million for house bill 13 is an estimate. It is anticipated as a grant-in-aid appropriation by the 1983 legislature.

Table 3  
General Fund Appropriations for the 1983 Biennium

Regular Session	\$669,338,351
House Bill 2	4,664,973
House Bill 13	4,100,000
Feed Bill	<u>420,000</u>
Total Appropriation	\$678,523,324 =====

# LEGISLATIVE COUNCIL

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$1,905,829	\$318,200	\$1,801,835	\$42,000
House Bill 1	<u>25,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Change	\$1,930,829	\$318,200	\$1,801,835	\$42,000
	=====	=====	=====	=====

## CHANGES

1. HB 1	\$ 25,000	\$ -0-	\$ -0-	\$ -0-
Total Change	\$ 25,000	\$ -0-	\$ -0-	\$ -0-
	=====	=====	=====	=====

House bill 1 appropriated \$420,000 in general fund for the special session. Of this amount, \$25,000 was appropriated to the legislative council for printing and bill distribution expenses. House bill 1 also appropriated \$242,000 to the house of representatives and \$153,000 to the senate for per diem and operating expenses related to the special session. Although these funds are appropriated directly to each house, the legislative council actually administers the funds. This responsibility includes payment of all claims and providing accounting support.

# GOVERNOR'S OFFICE

Appropriation	---Fiscal 1982---		---Fiscal 1983---	
	General Fund	Other Funds	General Fund	Other Funds
House Bill 500	\$3,650,664	\$ 150,000	\$2,005,503	\$ 100,000
House Bill 2	<u>3,620,664</u>	<u>18,450</u>	<u>1,945,503</u>	<u>-0-</u>
Change	<u>\$ (30,000)</u>	<u>\$(131,550)</u>	<u>\$ (60,000)</u>	<u>\$(100,000)</u>

## CHANGES

1. Old West Regional Commission	\$ -0-	\$(131,550)	\$ -0-	\$(100,000)
2. Old West Regional Commission Dues	<u>(30,000)</u>	<u>-0-</u>	<u>(60,000)</u>	<u>-0-</u>
Total Changes	<u>\$ (30,000)</u>	<u>\$(131,550)</u>	<u>\$ (60,000)</u>	<u>\$(100,000)</u>

### Change 1: Old West Regional Commission

Funding for the old west regional commission terminated the end of September. The legislature reduced the remaining federal spending authority of \$131,550 in fiscal 1982 and \$100,000 in fiscal 1983 plus the full-time program coordinator, as requested by the governor's office. Table 1 itemizes these reductions by expenditure category.

Table 1  
Governor's Office Reductions in Old West Regional  
Commission - Federal Funds

	<u>FY 82</u>	<u>FY 83</u>
FTE	.87	1.00
Personal Services	\$ 24,998	\$ 27,932
Operating Expenditures	<u>106,552</u>	<u>72,068</u>
Total	<u>\$131,550</u>	<u>\$100,000</u>

Change 2: Old West Regional Commission Dues

The governor was authorized a line-item, general fund appropriation of \$45,000 in fiscal 1982 and \$60,000 in fiscal 1983 for old west regional dues. Fifteen thousand dollars were spent for this purpose in fiscal 1982 for the last quarter of the 1981 federal fiscal year. The legislature reduced the remaining authority of \$30,000 in fiscal 1982 and all of the authority (\$60,000) in fiscal 1983, as requested by the governor's office. This action is consistent with HB 500, which included language requiring such a reversion if the program was terminated.

# DEPARTMENT OF ADMINISTRATION

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$4,959,515	\$19,508,954	\$4,928,068	\$19,524,029
House Bill 2	<u>4,959,515</u>	<u>19,384,812</u>	<u>4,928,068</u>	<u>19,212,769</u>
Change	\$ -0- =====	\$ (124,142) =====	\$ -0- =====	\$ (311,260) =====

## CHANGES

1. Personnel Division	\$ -0-	\$ (70,507)	\$ -0-	\$ (76,432)
2. Building Standards	-0-	(10,000)	-0-	(25,000)
3. State Treasurer	-0-	75,000	-0-	75,000
4. Workers' Comp. Judge	-0-	39,051	-0-	-0-
5. Merit System Council	-0-	(157,686)	-0-	(284,828)
Total Changes	\$ -0- =====	\$ (124,142) =====	\$ -0- =====	\$ (311,260) =====

The legislature authorized five changes to the agency's appropriation. These changes reduce the total appropriation by \$124,142 in other funds in fiscal 1982 and \$311,260 in fiscal 1983. The agency's FTE level is reduced by 12.5 full-time positions for fiscal years 1982 and 1983.

### Change 1: Personnel Division

Since federal funds have terminated, the remaining federal fund spending authority for state and county employee training programs was deleted. This action deleted one full-time training officer from the state training program. The legislature did not approve continuing this position on a self-supporting basis, as the agency had requested. The state's employee training program, which will now be entirely self-supporting, will be staffed by one training officer.

### Change 2: Building Standards

The remaining federal spending authority for an annual energy conservation grant of \$10,000 in fiscal 1982 and \$25,000 in fiscal 1983 was deleted



since these funds terminate at the end of December, 1981. The funds subsidized two current level building inspectors who collected the energy-related information during their regular inspections. This action will not result in any FTE reduction since the inspectors' workload will not be significantly affected.

The agency's request to replace federal spending authority with revolving fund spending authority was not approved as the agency indicated that the reduced authority will not significantly affect the division's current operation.

#### Change 3: State Treasurer

House Bill 2 adds \$75,000 each year from the highway earmarked fund to fulfill statutory requirements in section 7-14-102(2), MCA, which provides for "pass-through" disbursements to counties under the public transportation law. These disbursements may be used for special transportation needs, such as buses for senior citizens and the handicapped, or other transportation needs, primarily county road maintenance. This appropriation maintains the disbursements at the same level as the last two bienniums. These funds are one-half of the total allocation. Both the state treasurer and the department of commerce have a \$75,000 appropriation for disbursements to local governments under the public transportation law.

#### Change 4: Workers' Compensation Judge

An additional \$39,051 in earmarked fund spending authority from the workers' compensation account is authorized for fiscal 1982. This appropriation will provide funds for termination pay to the previous judge (\$15,051) and additional expenses related to a workload increase (\$24,000), which are discussed separately below.



A. Termination Pay - A new judge was appointed in August, 1981. Therefore, accrued vacation and sick leave benefits must be paid out to the previous judge. These expenses were not anticipated when the court's budget was considered last session.

B. Workload Increase - Fifty cases were heard by the previous judge but no case decisions were made prior to his termination. Funds for the final determination and disbursement of these cases include \$12,000 for hearings officers and court reporters that would be required for an estimated 20 of these pending cases. Additional typing expenses of \$3,000 are also included to obtain complete transcripts of the remaining 30 pending cases. The remaining \$9,000 is provided for a hearings officer to assist with the court's current fall caseload.

It is the legislature's intent that these additional expenses be considered one-time expenses only and, therefore, not be included in the court's base for future budgetary purposes.

#### Change 5: Merit System Council

The merit system council's remaining earmarked spending authority is reduced by \$157,686 in fiscal 1982 and \$284,828 in fiscal 1983 due to the pending decentralization of the merit system bureau at the end of December, 1981. This action eliminates all staff support for the council. Sufficient funds have been authorized to maintain the merit system bureau until the end of December, to fund termination pay, and to pay expenses for continuing the three-member council.

This decentralization deletes 11.5 full-time FTE as itemized in table 1.

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Table 1  
Positions Deleted in the Merit System Bureau  
1983 Biennium

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<u>Position</u>	<u>Grade</u>
Bureau Chief	17
Assistant Bureau Chief	15
Test Development Specialist (1.5)	14
Personnel Specialist	13
Personnel Specialist (2)	12
Personnel Assistant	10
Steno Clerk	8
General Office Clerk	8
General Office Clerk	6
File Clerk	5

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Recruiting, testing, and selection responsibilities will now be absorbed by the participating agencies. Local job services will handle a major portion of the initial recruiting and screening tasks. The council will continue administering and monitoring the merit system and hear appeals when requested. The personnel division will provide staff support as needed.

# DEPARTMENT OF JUSTICE

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$8,643,149	\$8,249,184	\$8,245,180	\$8,401,837
House Bill 2	<u>8,644,737</u>	<u>8,249,184</u>	<u>8,245,180</u>	<u>8,401,837</u>
Change	<u>\$ 1,588</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## CHANGES

1. Transp. of Prisoners	\$ 1,588	\$ -0-	\$ -0-	\$ -0-
2. Coal Tax Defense -				
Language Change	-0-	-0-	-0-	-0-
3. Gas Allocation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Changes	<u>\$ 1,588</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

## Summary

Three changes were made to the department of justice. The only appropriation change was the addition of \$1,588 of general fund in fiscal 1982. However, approximately \$338,000 in general fund will revert as a continuing appropriation from the 1981 biennium was reduced.

### Change 1: Transportation of Prisoners

The state reimburses county sheriffs for the costs of extradition and transportation of prisoners to the state prison. During fiscal 1981, claims received from the counties exceeded the appropriation by \$1,588. This excess amount was therefore not reimbursable. The legislature appropriated \$1,588 to allow reimbursement for 100 percent of the fiscal 1981 expenses incurred at the county level.

### Change 2: Coal Tax Defense

The 1979 legislature appropriated \$500,000 for litigation costs in defense of Montana's coal severance tax to the department of justice.

During the 1981 session, a pending supreme court case and resulting actions indicated a need to continue the remaining funds into the 1983 biennium. Recently, a supreme court decision upheld the constitutionality of Montana's coal tax. Of the \$388,642 remaining for defense costs, the legislature allowed the department to keep a \$50,000 contingency fund for any additional litigation expenses. Language in the bill will limit the \$50,000 to litigation costs only and require any remaining balance to revert at the end of the biennium. Language also requires the \$338,642 remaining general fund to revert upon passage of the bill.

#### Change 3: Gas Allocation

House bill 500 provided increased general fund to the highway patrol as gas prices were projected to average \$1.65 per gallon in fiscal 1982 and \$1.95 per gallon in fiscal 1983. Rather than reduce the appropriation to reflect current gasoline projections, the legislature chose to line-item the appropriation in HB 2 and restrict gallon useage to 509,850 gallons in fiscal 1982 and 491,480 gallons in fiscal 1983. This line-item assures a reversion of general fund should current gasoline prices continue.

# BOARD OF CRIME CONTROL

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$219,400	\$ 1,504,100	\$217,900	\$ 2,504,400
House Bill 2	<u>230,977</u>	<u>404,100</u>	<u>217,900</u>	<u>404,400</u>
Change	\$ 11,577 =====	\$(1,100,000) =====	\$ -0- =====	\$(2,100,000) =====

## CHANGES

1. Action Grants	\$ -0-	\$(1,100,000)	\$ -0-	\$(2,100,000)
2. Matching Funds	<u>11,577</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Changes	\$ 11,577 =====	\$(1,100,000) =====	\$ -0- =====	\$(2,100,000) =====

The legislature deleted federal spending authority of \$1,100,000 in fiscal 1982 and \$2,100,000 in fiscal 1983 for "pass-through" action grants and added \$11,577 in general fund for matching requirements of action grants received prior to fiscal 1982.

### Change 1: Action Grants

Action grants are disbursed to local communities and state agencies to improve or enhance services related to the criminal justice system. Since no federal funds for this purpose are anticipated at this time, the legislature reduced the appropriation by \$1,100,000 in fiscal 1982 and \$2,100,000 in fiscal 1983.

Any subsequent awards can be administratively appropriated and do not require a budget amendment since these funds are "pass-through" grants. Therefore, this adjustment does not have any significant affect on the agency's operation but simply reflects a more realistic level of funding as identified at this time.

Language was included in HB 2 to insure that any federal funds received for action grants to local communities or state agencies may be administratively appropriated.

Change 2: Matching Funds

The agency has \$208,380 in federal action grant funds that were awarded prior to fiscal 1982 but have not been disbursed. These "pass-through" funds require a five percent state general fund match. These matching funds were appropriated for the 1981 biennium, however, these funds reverted when they were not used. House Bill 2 provides \$11,577 in general fund for the required match so that the funds can now be disbursed.

Language was also included to make this a biennial appropriation so that the matching funds can carry-over with any unawarded grant balance and to restrict the use of these funds for matching purposes only.

Besides the \$208,380 in action funds noted above, the agency has indicated that they also have \$800,230 of other "pass-through" funds available for distribution this biennium. Matching requirements for these funds have been met within the agency's appropriation.

# DISASTER AND EMERGENCY SERVICES

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$176,725	\$294,842	\$175,747	\$297,008
House Bill 2	<u>176,725</u>	<u>369,842</u>	<u>175,747</u>	<u>297,008</u>
Change	\$ -0- =====	\$ 75,000 =====	\$ -0- =====	\$ -0- =====

## CHANGES

1. Emergency Operations Center	\$ -0- =====	\$ 75,000 =====	\$ -0- =====	\$ -0- =====
Total Changes	\$ -0- =====	\$ 75,000 =====	\$ -0- =====	\$ -0- =====

### Change 1: Emergency Operation Center

An additional \$75,000 in federal spending authority is authorized for major capitol improvements to the emergency operations center. Proposed improvements include renovation of the emergency generator, installation of an underground fuel tank, and installation of emergency access areas. No additional state funds will be required since past state-funded improvements will qualify for the state match. Language is included in HB 2 making this a biennial appropriation.



## DEPARTMENT OF HIGHWAYS

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$-0-	\$203,134,272	\$-0-	\$207,556,940
House Bill 2	<u>-0-</u>	<u>203,134,272</u>	<u>-0-</u>	<u>207,556,940</u>
Change	\$-0- =====	\$ -0- =====	\$-0- =====	\$ -0- =====

### CHANGES

1. Language to clarify radio purchases.
2. Use of anticipated highway earmarked savings.

### Summary

There was one language change to the department of highways. However, the department stated they are going to utilize anticipated highway earmarked savings to provide 100 percent state funded construction. This statement was never formally presented to the legislature for their approval.

### Change 1: Language to Clarify Radio Purchases

Language was added to clarify the use of funds line-itemed for low-band radio equipment. These funds (\$74,000 per year) may be spent only to purchase low-band equipment if an emergency situation exists. The funds may also be used to buy high-band radio equipment for pilot project areas designated by the department of administration.

### Change 2: Use of Anticipated Highway Earmarked Savings

Since the beginning of fiscal 1982, the department has initiated several measures designed to reduce expenditures. Areas where savings will occur and anticipated amounts are detailed in the following sections: FTE reductions; maintenance division; federal reimbursements; and excess state match.



A. FTE Reductions:

The department has reduced the FTE count by approximately 206 positions. These reductions are throughout the various programs. Additional reductions are anticipated during the remainder of the year and are expected to reach 300 FTE.

The majority of savings will be within the federal and the highway earmarked accounts. Savings related to the 206 FTE reductions are noted below.

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Table 1  
Anticipated Savings from FTE Reductions

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<u>Fiscal Year</u>	<u>Earmarked</u>	<u>Federal</u>	<u>Total</u>
1982	\$968,902	\$1,115,516	\$2,084,418
1983*	968,902	1,115,516	2,084,418

\*Personal service savings for fiscal 1983 have not been projected, therefore, it is assumed that the minimum savings would be not less than fiscal 1982.

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The above savings represent a minimum amount and will increase in relation to additional FTE reductions.

B. Maintenance Division:

Approximately \$2,194,621 of highway earmarked funds savings per year is anticipated in the maintenance division. These savings will be realized through elimination of the roadside garbage bin service and a more efficient schedule for sanding and plowing. Personal service savings of \$433,994 was included in the previous section and is not part of the \$2.1 million per year savings.

C. Federal Reimbursement:

The state receives federal cash on a cost reimbursement basis.

Therefore, Montana must actually incur the expense before the federal government is billed. This procedure causes Montana to maintain an average operating cash level of \$11 million. The department is working with the federal highway administration to alter this procedure so that payments could be made to Montana prior to the actual expenditure. Such a procedural change would allow the department to lower the level of state cash needed to pay the federal government's share of construction.

D. Excess State Match:

The department has federal spending authority of \$101 million and \$107 million for the 1983 biennium. These amounts are matched by highway earmarked funds. It is unlikely that the department will be able to expend the maximum amount of state appropriated federal authority due to obligation limitations and possible expenditure ceilings imposed by the federal government. With reduced federal funds, less highway earmarked funds will be required for match.

The department of highways has made a rough estimate of anticipated federal fund expenditures for the 1983 biennium. The following table illustrates possible excess highway earmarked matching funds by comparing actual appropriated federal funds to anticipated expenditures.

Federal funds require varying state matching ratios which are dependent upon the type of road system or type of work. The earmarked match of 23.3 percent in fiscal 1982 and 24.3 percent in fiscal 1983 averages the various matching requirements.

Table 2  
Anticipated Excess Earmarked Match Resulting  
from Reduced Federal Funds

	-----Fiscal 1982-----			
	<u>Federal Funds</u>	<u>Highway Earmarked</u>	<u>Total</u>	<u>% Earmarked is of Total</u>
Appropriated	\$101,792,875	\$30,957,085	\$132,749,960	23.32
Anticipated Expenditures	<u>92,401,274</u>	<u>28,101,170</u>	<u>120,502,444</u>	<u>23.32</u>
Anticipated Unexpended Balance	<u>\$ 9,391,601</u>	<u>\$ 2,855,915</u>	<u>\$ 12,247,516</u>	<u>23.32</u>
	-----Fiscal 1983-----			
Appropriated	\$107,316,581	\$34,494,256	\$141,810,837	24.32
Anticipated Expenditures	<u>80,955,303</u>	<u>26,020,889</u>	<u>106,976,192</u>	<u>24.32</u>
Anticipated Unexpended Balance	<u>\$ 26,361,278</u>	<u>\$ 8,473,367</u>	<u>\$ 34,834,645</u>	<u>24.32</u>

Note: The above funding represents only the three programs which utilize federal funds: general operations, construction, and preconstruction.

As table 2 shows, a savings in highway earmarked matching funds of \$2.85 million in fiscal 1982 and \$8.47 million in fiscal 1983 could materialize. The anticipated level of federal spending may be optimistic. If this level is not reached, additional excess highway earmarked match would be made available.

The four areas where savings will occur should produce, at a minimum, \$6 million in fiscal 1982 and \$11.6 million in fiscal 1983 or \$17.65 million during the 1983 biennium. These savings, along with anticipated cash balances, are detailed in table 3.

Table 3  
Anticipated Highway Earmarked Savings  
and the Cash Balance

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
BEGINNING CASH BALANCE 7/1/81	\$ 13,345,646	\$ 34,930,265
Earmarked Revenue	77,648,717	80,912,743
General Fund Transfer	<u>22,000,000</u>	<u>2,000,000</u>
Total Funds Available	\$112,994,363	\$117,843,008
Appropriated Expenditures*	\$ 84,083,536	\$ 88,293,699**
Possible Savings:		
FTE Reductions	\$ 968,902	\$ 968,902
Maintenance	2,194,621	2,194,621
Federal Reimbursement	unknown	unknown
Excess Match	<u>2,855,915</u>	<u>8,473,367</u>
Total Possible Savings	\$ 6,019,438	\$ 11,636,890
Net Expenditures	\$ 78,064,098	\$ 76,656,809
ENDING CASH BALANCE WITH SAVINGS	\$ 34,930,265 =====	\$ 41,186,199 =====

\*These amounts include appropriations from the earmarked account to long range building and other state departments.

\*\*This number has decreased from the original expenditure number presented in the budget analysis as pay plan funds for fiscal 1983 have been more accurately identified.

The savings, as outlined in table 3, at a minimum, should reach \$17.65 million during the 1983 biennium. Rather than allow these savings to increase the fund balance, the department has stated they are going to dedicate this money to 100 percent state funded projects.

To obtain spending authority to expend these savings, the department will decrease the federal spending authority and increase earmarked spending authority anticipated by the legislature within the "other fund" appropriation for the construction program. This funding shift is contrary to

the funding pattern established by the legislature. The department did not approach the special legislative session with a request to alter the funding pattern nor did they formally obtain the legislature's approval for expenditure of the highway earmarked funds on 100 percent state funded projects.

# DEPARTMENT OF AGRICULTURE

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$906,454	\$3,312,678	\$ 852,829	\$3,368,257
House Bill 2	<u>929,176</u>	<u>3,097,792</u>	<u>1,003,014</u>	<u>3,149,665</u>
Change	\$ 22,722 =====	\$ (214,886) =====	\$ 150,185 =====	\$ (218,592) =====

## CHANGES

1. Replacement of Federal Pesticide Funds	\$ 22,722	\$ (72,886)	\$ 150,185	\$ (258,592)
2. Reduction of Old West Spending Authority	-0-	(182,000)	-0-	-0-
3. Spending Authority for SB 363	<u>-0-</u>	<u>40,000</u>	<u>-0-</u>	<u>40,000</u>
Total Changes	\$ 22,722 =====	\$ (214,886) =====	\$ 150,185 =====	\$ (218,592) =====

The department of agriculture had three changes to its budget. These changes added general fund totalling \$22,722 in fiscal 1982 and \$150,185 in fiscal 1983. Other spending authority was reduced \$214,886 in fiscal 1982 and \$218,592 in fiscal 1983. These changes resulted in an FTE reduction of 2.58 in fiscal 1982 and 2.84 in fiscal 1983.

### Change 1: Replacement of Federal Pesticide Funds

General fund was appropriated to replace a portion of lost federal funds used for licensing and certification of pesticide applicators and licensing of all pesticides used in the state. Federal spending authority was reduced \$72,886 in fiscal 1982 and \$258,592 in fiscal 1983 due to the loss of the federal funds, while general fund increases \$22,722 and \$150,185. This change resulted in a net reduction of 2.58 FTE in fiscal 1982 and 2.84 FTE in fiscal 1983, as the department requested.

Two divisions, environmental management and central services were impacted by the loss of federal funds. The following table details what positions were able to be maintained with the increased general fund support and how the funds will be expended within these divisions.

Table 1  
Summary of Uses for the General Fund Addition

	Environmental Management Division		Central Services Division	
	FY '82	FY '83	FY '82	FY '83
Current Level FTE	32.85	32.85	8.75	8.75
Reduced Level FTE	<u>30.60</u>	<u>30.26</u>	<u>8.42</u>	<u>8.50</u>
Net FTE Change	(2.25)	(2.59)	(.33)	(0.25)
<u>Positions Funded</u>				
Pesticide Specialist	0.50	1.00	no positions requested	
Office Clerk	0.25	0.50		
Environmental Specialist	0.00	0.75		
Lab Technician	0.00	0.75		
Administrative Assistant				0.50
Lawyer	—	—	—	<u>0.08</u>
Total Positions Funded with General fund	0.75 =====	3.00 =====	0.00 =====	0.58 =====
Salaries	\$13,371	\$ 64,543		\$13,805
Operating Expenses	<u>9,351</u>	<u>71,837</u>		<u>-0-</u>
Total	\$22,722 =====	\$136,380 =====		\$13,805 =====

As table 1 shows, FTE were reduced by 2.58 in fiscal 1982 and 2.84 in fiscal 1983 within the environmental management and central service division. Table 2 details these reductions.



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Table 2  
FTE Reductions Within Environmental Management  
and Central Service Divisions

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<u>FY '82</u>	<u>FY '83</u>
<u>Environmental Management</u>	
(0.75) General Office Clerk IV	(1.09) Biological Aides
(0.50) Pesticide Specialist I	(1.00) Plant Pathologist
<u>(1.00)</u> Plant Pathologist	<u>(0.50)</u> General Office Clerk IV
(2.25)	(2.59)
<u>Central Services</u>	
(0.25) General Office Clerk V	0.25 General Office Clerk V
<u>(0.08)</u> Lawyer III	<u>      </u>
(.33)	(0.25)
<u>Total Reduction in Positions</u>	
(2.58)	(2.84)

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For purposes of adjusting the budget base of the environmental management division and the central services division, the following table displays the original base, the revised base, the amount of federal funds replaced by general fund, and the reduction in both programs.



Table 3  
Comparison of Original and Revised Budget Base for the  
Environmental Management and Central Service Divisions

	<u>Original Base</u>	<u>Revised Base</u>	<u>General Fund Replaced</u>	<u>Program Reduction</u>
-----Fiscal Year 1982-----				
<u>Environmental Management</u>				
Personal Services	\$ 671,494	\$ 615,293	\$ 13,371	\$ (42,830)
Operating Expenses	285,752	276,401	9,351	
Equipment	20,933	20,933		
Total	\$ 978,179	\$ 912,627	\$ 22,722	\$ (42,830)
<u>Central Services</u>				
Personal Services	\$ 230,073	\$ 223,599		\$ (6,474)
Operating Expenses	412,394	411,534		(860)
Equipment	13,140	13,140		
Grants	86,500	86,500		
Total	\$ 742,107	\$ 734,773	\$ -0-	\$ (7,334)
FY '82 Grand Total	\$1,720,286	\$1,647,400	\$ 22,722	\$ (50,164)
	=====	=====	=====	=====
-----Fiscal Year 1983-----				
<u>Environmental Management</u>				
Personal Services	\$ 740,362	\$ 628,710	\$ 64,543	\$ (47,109)
Operating Expenses	296,729	189,155	71,837	(35,737)
Equipment	28,796	4,000		(24,796)
Total	\$1,065,887	\$ 821,865	\$136,380	\$(107,642)
<u>Central Services</u>				
Personal Services	\$ 247,563	\$ 232,993	\$ 13,805	\$ (765)
Operating Expenses	459,057	459,057		
Equipment	700	700		
Grants	50,000	50,000		
Total	\$ 757,320	\$ 742,750	\$ 13,805	\$ (765)
FY '83 Grand Total	\$1,823,207	\$1,564,615	\$150,185	\$(108,407)
	=====	=====	=====	=====

Change 2: Reduction of Old West Spending Authority

The old west regional commission programs ended on September 30, 1981. The department did not receive what was anticipated last session, and therefore had additional federal spending authority. This authority was reduced by \$182,000 in fiscal 1982.

Change 3: Spending Authority for SB 363

Last session, SB 363 was passed which provided for the inspection and regulation of alfalfa leaf cutter bees. This bill assigned several new duties to the department of agriculture which included annual inspection of alfalfa leaf cutter bees and laboratory tests to allow certification of disease-free bees. The bill also provided that all alfalfa leaf cutter bees being imported be quarantined and inspected for diseases prior to use in this state. The department was given the latitude to promulgate rules as necessary, with the assistance of a three-member advisory committee appointed by the governor. When the legislation was passed, the corresponding fiscal note showed that the program would generate approximately \$40,000 per year to be spent as shown below.

	<u>FY 1982</u>	<u>FY 1983</u>
FTE	1.0	1.0
Personal Services	\$19,766	\$19,391
Operating Expenses	17,534	19,409
Equipment	1,500	-0-
Administrative Costs	<u>1,200</u>	<u>1,200</u>
Total	\$40,000 =====	\$40,000 =====

However, last session when the bill was passed, no spending authority was included to allow the department to spend the funds collected. Other spending authority totalling \$40,000 in each year was added to allow the expenditure of these revenues to carry out the additional duties.

# DEPARTMENT OF COMMERCE

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$2,257,598	\$23,176,216	\$2,291,242	\$23,137,843
House Bill 2	<u>2,337,641</u>	<u>17,967,914</u>	<u>2,336,199</u>	<u>18,206,407</u>
Change	\$ 80,043	\$(5,208,302)	\$ 44,957	\$(4,931,436)
	=====	=====	=====	=====

## CHANGES

1. Community Development Block Grant	\$ -0-	\$ (117,077)	\$ -0-	\$ (128,117)
2. Section 8 Housing Assistance	-0-	(1,805,000)	-0-	(1,855,000)
3. Urban Mass Transit Assistance	-0-	(645,000)	-0-	(645,000)
4. Earmarked Pass-Through Funds	-0-	(607,825)	-0-	(721,885)
5. Business Assistance	(44,957)	(180,807)	44,957	(2,727)
6. Rail Planning Const.	-0-	(1,852,593)	-0-	(1,578,707)
7. Hard Rock Mining Board (Biennium Approp.)	<u>125,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Changes	\$ 80,043	\$(5,208,302)	\$ 44,957	\$(4,931,436)
	=====	=====	=====	=====

The department of commerce has seven changes to its budget. The changes include additional general fund totalling \$80,043 in fiscal 1982 and \$44,957 in fiscal 1983. Federal spending authority was reduced \$5,208,302 in fiscal 1982 and \$4,931,436 in fiscal 1983. The FTE level was increased 1.5 FTE in each year. These changes are detailed below.

### Change 1: Community Development Block Grant

The legislature authorizes the department to accept the community development block grant which will service non-entitlement cities (50,000 population or less). The community development block grant program was previously administered by the federal government who passed funds directly to the local communities. At the same time the department of

commerce received HUD 701 funds which were used to provide technical assistance to localities in procuring these federal community development funds. This program will now be operated by the state via the community development block grant. In line with this administrative change, the HUD 701 program was terminated September 30, 1981.

During the regular 1981 session, spending authority was included in HB 500 for both HUD 701 administrative costs and HUD 701 pass-through funds. The change necessary in HB 500 was a decrease in "other" spending authority by the pass-through amounts originally appropriated in HB 500. Pass-through funds do not normally require a legislative appropriation. The department only needs authority to spend the administrative allocation which totals \$144,500 in fiscal 1982 and \$126,000 in fiscal 1983. All other funds contained in the block grant will pass through to the counties, which actually increase over the 1981 level as is shown below in table 1.

Table 1  
Funding for Non-entitlement Cities  
Community Development Block Grant

<u>Federal Funding Source</u>	Categorical	-----Block-----	
	<u>FY '81</u>	<u>FY '82</u>	<u>FY '83</u>
<u>HUD "701"</u>			
Administration	\$ 143,793	\$ -0-	\$ -0-
Pass-Through to Locals	67,332	16,724*	-0-
<u>Community Development Block</u>			
Administration	-0-	144,500**	126,000
Pass-Through to Locals	<u>5,635,250</u>	<u>6,029,250</u>	<u>6,174,000</u>
Total	\$5,846,375 =====	\$6,190,474 =====	\$6,300,000 =====

\*Categorical funds not included in block grant.

\*\*Includes \$50,000 for a one-time start-up grant.

Change 2: Section 8 Housing Assistance

In the 1981 regular session, pass-through housing assistance payments were appropriated. Normally, pass-through funds do not require an appropriation. Spending authority totalling \$1,805,000 in fiscal 1982 and \$1,855,000 in fiscal 1983 was reduced as it was not needed to pass-through funds to local governments.

Change 3: Urban Mass Transit Assistance

In the 1981 regular session, pass-through funds for urban mass transit assistance were appropriated. Normally, pass-through funds do not require an appropriation. Spending authority totalling \$645,000 in both fiscal 1983 and fiscal 1983 was reduced as it was not needed to pass-through funds to local governments.

Change 4: Earmarked Pass-Through Funds

Most pass-through funds are federal and do not require an appropriation. State earmarked funds require appropriation for all disbursements. In the 1981 special session, earmarked spending authority was mistakenly removed for coal tax county land planning pass-through funds and for highway gas tax pass-through funds. The earmarked authority reduced for coal tax county land planning totalled \$532,825 in fiscal 1982 and \$646,885 in fiscal 1983. The earmarked authority reduced for the highway gas tax pass-through funds totalled \$75,000 in each year.

Change 5: Business Assistance Bureau

The business assistance bureau's federal authority is reduced \$180,807 in fiscal 1982 and \$2,727 in fiscal 1983. This reduction results from a loss of federal funding for operating costs of economic development administration programs and a redistribution of federal grant funds between the



fiscal years. The legislature approved the department's request to transfer the general and federal funds originally line-itemed for economic development grants into operating expenses for the business assistance bureau. The general fund and federal funds will be redistributed between fiscal 1982 and fiscal 1983 as shown in table 2. The result will be termination of the grant program and a reduction of 0.5 FTE economist per year.

Table 2  
Summary of Business Assistance Bureau Funding  
Original Appropriation Versus Revised Appropriation

	----FY 1982----			----FY 1983----		
	Original Approp.	Revised Approp.	Difference	Original Approp.	Revised Approp.	Difference
<u>General Fund**</u>						
Operations	\$ 85,989	\$100,032	\$ 14,043	\$ 95,957	\$140,914	\$ 44,957
Grants	<u>59,000</u>	<u>-0-</u>	<u>(59,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$144,989</u>	<u>\$100,032</u>	<u>\$ (44,957)</u>	<u>\$ 95,957</u>	<u>\$140,914</u>	<u>\$44,957</u>
<u>Federal Funds**</u>						
Operations	\$135,748	\$184,193	\$ 48,445	\$142,170	\$127,273	\$(14,897)
Grants	<u>235,000</u>	<u>-0-</u>	<u>(235,000)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	<u>\$370,748</u>	<u>\$184,193</u>	<u>\$(186,555)</u>	<u>\$142,170</u>	<u>\$127,273</u>	<u>\$(14,897)</u>
Grand Total	<u>\$515,737</u>	<u>\$284,225</u>	<u>\$(231,512)</u>	<u>\$238,127</u>	<u>\$268,187</u>	<u>\$ 30,060</u>

\*\*The funding levels shown do not include HB 832 and HB 578.

For the purposes of adjusting the budgetary base of the business assistance bureau, table 3 displays the original base, the revised base by line items, and the net changes. It should be noted that table 3 includes HB 832, HB 840, and HB 578 appropriations, and thus reflects the total appropriated budget base.

Table 3  
Comparison of Original Budget Base and Revised Budget  
Base for the Business Assistance Bureau

	-----FY 1982-----			-----FY 1983-----		
	Original Base	Revised Base	Change	Original Base	Revised Base	Change
Personal Serv.	\$165,809	\$145,254	\$ (20,555)	\$180,729	\$157,936	\$(22,793)
Operating Exp.	96,710	180,553	83,843	96,910	149,763	52,853
Equipment	3,880	3,080	(800)	450	450	
Grants	294,000		(294,000)			
Total	\$560,399	\$328,887	\$(231,512)	\$278,089	\$308,149	\$30,060
	=====	=====	=====	=====	=====	=====

#### Change 6: Rail Planning Construction Funds

The department will lose federal rail planning construction funds totalling \$1,852,593 in fiscal 1982 and \$1,578,707 in fiscal 1983. These funds were to pass through to Burlington Northern for rehabilitation of lines designated in the state rail plan. There was no state match for these funds.

#### Change 7: Hard Rock Mining Board

Last session, the legislature approved HB 718 which created the hard rock mining board. The law stipulates that the board's operating expenses be paid from the metal mines tax. The metal mines tax is deposited into the general fund. The bill did not include an appropriation to spend general fund.

The legislature approved a biennial appropriation of general fund totalling \$125,000. The board was given the authority to hire 2.0 FTE. The board has the flexibility to move funds between personal services, operating expenses and fiscal years as is necessary to meet the workload.

# DEPARTMENT OF FISH, WILDLIFE, AND PARKS

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$ 587,349	\$ 15,338,533	\$ 627,177	\$15,511,110
House Bill 2	<u>587,349</u>	<u>15,319,682</u>	<u>627,177</u>	<u>15,486,104</u>
Change	\$ -0- =====	\$ (18,851) =====	\$ -0- =====	\$ (25,006) =====

## CHANGES

1. Fort Peck Fisheries Grant	\$ -0-	\$ (18,851)	\$ -0-	\$ (25,006)
2. Language for Gas Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Changes	\$ -0- =====	\$ (18,851) =====	\$ -0- =====	\$ (25,006) =====

### Change 1: Loss of Fort Peck Fisheries Grant

The department has lost federal funds which were used to monitor the commercial fish population in the Fort Peck reservoir. Federal spending authority totalling \$18,851 in fiscal 1982 and \$25,006 in fiscal 1983 was deleted. In addition, 1.00 fish and wildlife biologist III position was deleted from the fisheries division in each fiscal year.

### Change 2: Gas Allocation

The 1981 legislature appropriated \$456,298 and \$511,607 for gasoline purchases. At \$1.65 per gallon in fiscal 1982 and \$1.85 per gallon in fiscal 1983 the department would have purchased 276,544 gallons per year.

Because gas prices have not materialized as projected, the department will have funds available for more gas purchases or other expenditures than were originally anticipated.

The legislature examined the extra spending authority approved for gasoline purchase during the 1981 session. Language was added which



Department of Fish, Wildlife, and Parks - 2

allows the department to keep the additional spending authority but restricts the use to the purchase of gasoline, thus allowing increased travel.

# DEPARTMENT OF LIVESTOCK

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$618,049	\$3,055,487	\$634,615	\$3,114,528
House Bill 2	<u>618,049</u>	<u>3,085,487</u>	<u>634,615</u>	<u>3,144,528</u>
Change	\$ -0- =====	\$ 30,000 =====	\$ -0- =====	\$ 30,000 =====

## CHANGES

1. Additional Spending				
Authority for SB 161	\$ -0- =====	\$ 30,000 =====	\$ -0- =====	\$ 30,000 =====
Total Changes	\$ -0- =====	\$ 30,000 =====	\$ -0- =====	\$ 30,000 =====

## Change 1: Additional Spending Authority for SB 161

Last session, SB 161 was passed which designated the department of livestock to assess an additional ten cents per head on all swine sold. Fifty percent of this revenue was then to be paid to the national pork producer council. However, when this bill was passed, it did not contain any spending authority. The additional spending authority (\$30,000 in each fiscal year) will allow these revenues to be paid out by the department to the national pork producer council.

# DEPARTMENT OF NATURAL RESOURCES

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$6,398,331	\$12,188,756	\$6,340,248	\$12,133,308
House Bill 2	<u>6,398,331</u>	<u>11,646,625</u>	<u>6,340,248</u>	<u>11,074,294</u>
Change	\$ -0- =====	\$ (542,131) =====	\$ -0- =====	\$(1,059,014) =====

## CHANGES

1. Water Resource Planning Funds	\$ -0-	\$ (84,026)	\$ -0-	\$ (181,026)
2. HIPLEX Funding	-0-	(336,000)	-0-	(545,100)
3. Youth Conservation Corp	-0-	(122,105)	-0-	(332,888)
4. Cooney Dam Priority	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Changes	\$ -0- =====	\$ (542,131) =====	\$ -0- =====	\$(1,059,014) =====

The department of natural resources had three changes made to its budget. The changes totalled a reduction in federal spending authority of \$542,131 in fiscal 1982 and \$1,059,014 in fiscal 1983. The FTE level was reduced by 12.04 FTE in fiscal 1982 and 19.59 FTE in fiscal 1983. The changes are described in detail below.

### Change 1: Water Resource Planning Funds

The department has lost federal water resource planning funds as they have been terminated at the federal level. These amounts total \$180,000 in fiscal 1982 and \$181,026 in fiscal 1983. However, due to carry-over of federal funds from fiscal 1981, the federal spending authority was reduced from \$84,026 to \$95,974 in fiscal 1982.

When these federal funds were first received in the early 1970's, personal services for 3.0 current level FTE were supplanted by a portion of these federal funds, which freed up general fund for other operating

expenses. The federal funds have now been lost. However, the department has been allowed to retain these 3.0 FTE. These 3.0 FTE will be paid with carry-over federal funds in fiscal 1982 and with general fund in fiscal 1983. The department intends to reduce operating expenses to cover the salaries with general fund in fiscal 1983.

### Change 2: HIPLEX Funding

The federal government has terminated the high plains weather modification project (HIPLEX) near Miles City. Federal carry-over funds will be used to wind up the research efforts. The legislature removed this excess federal spending authority totalling \$336,000 in fiscal 1982 and \$545,100 in fiscal 1983. Language was added to allow federal funds for HIPLEX to be budget amended if they should become available. The areas of reduction are as shown below in table 1.

Table 1  
Budget Reduction for Lost HIPLEX Funding

	-----FY 1982-----			-----FY 1983-----		
	<u>Original</u>	<u>Revised</u>	<u>Change</u>	<u>Original</u>	<u>Revised</u>	<u>Change</u>
Personal Services	\$371,550	\$204,620	\$(166,930)	\$388,783	\$43,057	\$(345,726)
Operating Expenses	180,518	39,170	(141,348)	154,672	6,852	(147,820)
Equipment	2,000	-0-	(2,000)	2,000	-0-	(2,000)
Indirect Costs	<u>45,932</u>	<u>20,210</u>	<u>(25,722)</u>	<u>54,545</u>	<u>4,991</u>	<u>(49,554)</u>
Total	<u>\$600,000</u>	<u>\$264,000</u>	<u>\$(336,000)</u>	<u>\$600,000</u>	<u>\$54,900</u>	<u>\$(545,100)</u>

The personnel employed by this project were on the state payroll but were paid with federal funds. Because the project is ending, the legislature reduced the FTE accordingly, by 11.04 in fiscal 1982 and 18.59 in fiscal 1983 within the water resources division.

#### Change 3: Youth Conservation Corp

The department has lost federal funds for the youth conservation corp program. The legislature removed excess federal authority totalling \$122,105 in fiscal 1982 and \$332,888 in fiscal 1983, as is shown below in table 2.

Table 2  
Budget Reduction for Lost Youth  
Conservation Corp Funds

	-----FY 1982-----			-----FY 1983-----		
	<u>Original</u>	<u>Revised</u>	<u>Change</u>	<u>Original</u>	<u>Revised</u>	<u>Change</u>
Personal Services	\$1,093,020	\$1,083,660	\$ (9,360)	\$1,172,043	\$1,151,155	\$ (20,888)
Operating Expenses	629,795	629,795	-0-	595,230	513,230	(82,000)*
Equipment	6,160	6,160	-0-	4,448	4,448	-0-
Grants	<u>230,000</u>	<u>117,255</u>	<u>(112,745)</u>	<u>230,000</u>	<u>-0-</u>	<u>(230,000)</u>
Total	<u>\$1,958,975</u>	<u>\$1,836,870</u>	<u>\$(122,105)</u>	<u>\$2,001,721</u>	<u>\$1,668,833</u>	<u>\$(332,888)</u>

\*Entire amount of reduction was made in contracted services.

The central services division was reduced by 1.0 FTE program manager II per year that was supported with these funds.

#### Change 4: Cooney Dam Priority

Last session, it was originally anticipated that approximately \$2.3 million would be available from the federal land and water conservation fund. The long-range building committee had established a priority list

which included 11 projects. This list was to be followed in the expenditure of these funds.

The department of natural resources felt that the repair of the Cooney Dam spillway, which was ninth in priority, would not receive the \$261,000 originally anticipated from this federal funding source. The department has stated they would fund the Cooney Dam project from its state water project maintenance fund if federal funds are not received. This would preclude maintenance of other state water projects.

The department of natural resources requested that the priority list established by the long-range building committee last session for the expenditure of federal land and water conservation fund be reexamined.

The long-range building committee (committee 1) reconvened and reestablished the priority list for the expenditure of the federal land and water conservation funds. Cooney Dam was listed as the first priority.

The amount of funds to be received from the federal land and water conservation fund is still uncertain, but a substantial reduction appears probable.

DEPARTMENT OF INSTITUTIONS  
CENTRAL OFFICE - ALCOHOL AND DRUG ABUSE DIVISION

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$194,239	\$1,348,521	\$203,871	\$1,294,514
House Bill 2	<u>194,239</u>	<u>1,481,319</u>	<u>203,871</u>	<u>1,551,787</u>
Change	\$ -0- =====	\$ 132,798 =====	\$ -0- =====	\$ 257,273 =====

CHANGES

1. Alcohol Grants	\$ -0-	\$ 132,798	\$ -0-	\$ 140,707
2. Block Grants	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>116,566</u>
Total Changes	\$ -0- =====	\$ 132,798 =====	\$ -0- =====	\$ 257,273 =====

Summary

The special session of the legislature increased spending authority of the alcohol and drug abuse division by \$132,798 in fiscal 1982 and \$257,273 in fiscal 1983.

Change 1: Alcohol Grants

In the 1983 biennium the alcohol and drug abuse division will receive federal categorical grants in excess of those appropriated by the 47th legislature. The legislature approved increased federal authority of \$132,798 in fiscal 1982 and \$140,707 in fiscal 1983. The increased funding will be used to fund community alcohol programs that will experience a shortfall in service fees.

The shortfall in service fees was due to an overestimation, by the department of institutions, in the revenue generating ability of certain community alcohol programs. Table 1 shows what alcohol programs will receive the additional funding for fiscal years 1982 and 1983.



Table 1  
Allocation of Additional Federal Categorical and Block Grant  
Funds to Community Alcohol Programs

<u>Program</u>	<u>FY '82</u>	<u>FY '83</u>
District II	\$ 7,613	\$ 14,749
District III	6,350	12,302
Medicine Pine Lodge	5,571	10,703
Fort Belknap	4,799	9,297
Hill-Top Recovery Center	20,773	40,244
Providence	28,677	55,556
A&D Services of Central Montana	3,581	6,937
Musselshell County	1,495	2,896
South Central Montana Mental Health Center	--	--
Tri-County	7,892	15,289
Problem Drinking/Park County	3,475	6,732
Anaconda/Deer Lodge County	3,572	6,920
Powell County	2,089	4,047
Butte Indian	10,515	20,371
Boyd Andrew Service Center	17,233	33,479
Ravalli County	2,916	5,649
A&D Services of Lincoln County	6,247	12,102
Total	\$132,798 =====	\$257,273 =====

### Change 2: Block Grants

Due to an anticipated shortfall in service fees of \$257,273 in fiscal 1983 the legislature approved \$116,566 of federal block grant funds to maintain current level alcohol programs.

### Language

In the 1983 biennium the alcohol and drug abuse division will receive approximately \$987,202 of excess federal block grant funds. It is the intent of the legislature that the excess funds not be budget amended into current level alcohol programs and language was placed in HB 2 which states:

"Excess alcohol and drug abuse block grant funds not appropriated by the special session of the legislature cannot be budget amended into current level alcohol or drug abuse programs. Any excess funds shall be available for appropriation by the 48th legislature."



DEPARTMENT OF INSTITUTIONS  
CENTRAL OFFICE - CORRECTIONS DIVISION

<u>Appropriation</u>	---Fiscal 1982---	---Fiscal 1983---
	<u>General Fund</u> <u>Other Funds</u>	<u>General Fund</u> <u>Other Funds</u>
House Bill 500	\$3,297,327	\$3,423,996
House Bill 2	<u>3,292,217</u>	<u>3,346,989</u>
Change	\$ (5,110) =====	\$ (77,007) =====

CHANGES

1. Women's Correctional Program	\$ (5,110)	\$-0-	\$ (77,007)	\$-0-
Total Changes	\$ (5,110) =====	\$-0- =====	\$ (77,007) =====	\$-0- =====

Women's Correctional Facility

In the 1981 legislative session the corrections division was authorized \$280,079 in fiscal 1982 and \$295,352 in fiscal 1983 for the women's correctional program. Due to the opening of a women's correctional facility at Warm Springs the corrections division budget was reduced by \$5,110 in fiscal 1982 and \$77,007 in fiscal 1983. Table 1 shows the adjustment for the women's correctional program.

Table 1  
Women's Correctional Programs Comparison  
Between HB 500 and HB 2 for  
Fiscal 1982 and 1983

<u>HB 500</u>	<u>FY 1982</u>	<u>FY 1983</u>
Billings' Life Skill Center	\$162,354	\$166,860
Nevada (6 Inmates)	70,080	76,650
West virginia (1 Inmate)	16,513	17,849
Montana Jails	15,899	17,184
Other (Supplies, Travel, Medical)	<u>15,233</u>	<u>16,809</u>
Total	\$280,079	\$295,352
 <u>HB 2</u>		
Billings' Life Skill Center	\$162,354	\$166,860
Nevada	55,643	-0-
West Virginia (1 Inmate)	20,575	21,747
Montana Jails	10,728	8,748
California (1 Inmate)	16,742	20,990
Nebraska (1 Inmate)	<u>8,927</u>	<u>-0-</u>
Total	\$274,969	\$218,345
Difference	\$ (5,110) =====	\$(77,007) =====

DEPARTMENT OF INSTITUTIONS  
CENTRAL OFFICE - MANAGEMENT SERVICES DIVISION

<u>Appropriation</u>	---Fiscal 1982---	---Fiscal 1983---
	<u>General Fund</u> <u>Other Funds</u>	<u>General Fund</u> <u>Other Funds</u>
House Bill 500	\$797,596	\$64,328
House Bill 2	<u>732,502</u>	<u>129,422</u>
	\$800,690	\$64,328
	<u>791,981</u>	<u>73,037</u>
Change	\$(65,094) =====	\$ 65,094 =====
	\$ (8,709) =====	\$ 8,709 =====

CHANGES

1. Indirect Costs	<u>\$(65,094)</u>	<u>\$ 65,094</u>	<u>\$ (8,709)</u>	<u>\$ 8,709</u>
Total Changes	<u>\$(65,094)</u> =====	<u>\$ 65,094</u> =====	<u>\$ (8,709)</u> =====	<u>\$ 8,709</u> =====

Change 1: Indirect Costs

The legislature reduced general fund by \$65,094 in fiscal 1982 and \$8,709 in fiscal 1983 and increased federal funds proportionately for the corresponding fiscal years. Indirect costs from federal categorical grants will exceed the amounts appropriated for the 1983 biennium allowing a proportionate decrease in general fund.

DEPARTMENT OF INSTITUTIONS - CENTRAL OFFICE  
MENTAL HEALTH AND RESIDENTIAL SERVICES DIVISION

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$3,957,049	\$535,536	\$4,352,354	\$ 540,629
House Bill 2	<u>3,957,049</u>	<u>464,315</u>	<u>4,352,354</u>	<u>369,234</u>
Change	\$ -0- =====	\$(71,221) =====	\$ -0- =====	\$(171,395) =====

CHANGES

1. Community Support Project	\$ -0-	\$(154,968)	\$ -0-	\$(372,584)
2. Planning Evaluation	<u>-0-</u>	<u>83,747</u>	<u>-0-</u>	<u>201,189</u>
Total Changes	\$ -0- =====	\$ (71,221) =====	\$ -0- =====	\$(171,395) =====

Summary

The special session of the legislature reduced the mental health and residential services division by \$71,221 in fiscal 1982 and \$171,395 in fiscal 1983.

Change 1: Community Support Project

The legislature reduced federal authority by \$154,968 in fiscal 1982 and \$372,584 in fiscal 1983 due to the termination of the community support program in fiscal 1982. Table 1 shows the reduction by major expenditure category for fiscal years 1982 and 1983.

Table 1  
Community Support Program Reductions for  
Fiscal Years 1982 and 1983

	3/1/82-6/30/82 <u>Fiscal 1982</u>	<u>Fiscal 1983</u>
FTE	4.0	4.0
Personal Services	\$ 26,563	\$101,817
Contracted Services	18,269	35,510
Supplies	429	1,411
Communications	1,421	4,840
Travel	16,021	24,998
Rent	1,370	3,173
Repair	71	250
Other	193	585
Grants	<u>90,631</u>	<u>200,000</u>
Total	<u>\$154,968</u> =====	<u>\$372,584</u> =====

### Change 2: Planning Evaluation

The department of institutions requested and the legislature approved, \$83,747 in fiscal 1982 and \$201,189 in fiscal 1983 of federal block grant funds to be used for a program planning and evaluation section which will perform fiscal and program compliance audits on the community mental health centers funds which will also be used for grants to the centers. The section will consist of two FTE and associated operating costs of \$23,747 in fiscal 1982 and \$79,370 in fiscal 1983. The remaining authority of \$60,000 in fiscal 1982 and \$121,819 in fiscal 1983 will be used for sub-grants to community mental health centers to replace the loss of the community support project funds. Table 2 shows the expenditure breakdown.

Table 2  
Planning and Evaluation Section

	(3/1/82-6/30/82)	
	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
FTE	2.00	2.00
Personal Services	\$20,146	\$ 65,994
Supplies	380	948
Communications	1,075	4,011
Travel	1,874	6,476
Rent	239	1,826
Repairs	33	115
Subgrants	<u>60,000</u>	<u>121,819</u>
Total	<u>\$83,747</u> =====	<u>\$201,189</u> =====

### Language

The legislature placed the following language in HB 2 to allow the department of institutions flexibility in allocation of the mental health portion of the mental health and alcohol and drug abuse block grant.

"It is the intent of the legislature that the department of institutions apply for the full amount of federal funds available through the Omnibus Reconciliation Act of 1981 for mental health programs during federal fiscal years 1982 and 1983. Any funds received by the department of institutions may be budget amended under the provisions of HB 500, section 3, to maintain current level community mental health programs. It is also the intent of the legislature that expenditures for community mental health programs not exceed available revenues. The department of institutions may not spend more than 75 percent of the federal fiscal 1983 mental health block grant funds in state fiscal year 1983. The department must carry forward 25 percent of the federal fiscal 1983 block grant into state fiscal year 1984."

Due to the unknown level of federal funding in the 1983 biennium the legislature did not feel that expenditure levels should be established that may exceed available revenues.

## BOULDER RIVER SCHOOL AND HOSPITAL

<u>Appropriation</u>	<u>---Fiscal 1982---</u> <u>General Fund</u>	<u>Other Funds</u>	<u>---Fiscal 1983---</u> <u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$9,323,901	\$106,180	\$9,364,280	\$101,581
House Bill 2	<u>9,323,901</u>	<u>90,724</u>	<u>9,364,280</u>	<u>59,059</u>
Change	\$ -0- =====	\$(15,456) =====	\$ -0- =====	\$(42,522) =====

## CHANGES

1. ESEA Title I	\$ -0- =====	\$(15,456) =====	\$ -0- =====	\$(42,522) =====
Total Changes	\$ -0- =====	\$(15,456) =====	\$ -0- =====	\$(42,522) =====

Change 1: ESEA Title 1

Boulder River school was authorized \$69,147 in fiscal 1982 and \$69,606 in fiscal 1983 of ESEA Title I authority. The office of superintendent of public instruction has notified Boulder that the actual amount of the Title I grant will be \$53,691 for fiscal 1982 and approximately \$27,084 in fiscal 1983. The legislature reduced federal authority by \$15,456 in fiscal 1982 and \$42,522 in fiscal 1983 due to the reduced funding of the Title I program.



# EASTMONT TRAINING CENTER

<u>Appropriation</u>	---Fiscal 1982---	Other Funds	---Fiscal 1983---	Other Funds
	<u>General Fund</u>		<u>General Fund</u>	
House Bill 500	\$1,530,951	\$ 48,728	\$1,549,225	\$ 49,799
House Bill 2	<u>1,530,951</u>	<u>36,502</u>	<u>1,549,225</u>	<u>38,923</u>
Change	\$ -0- =====	\$(12,226) =====	\$ -0- =====	\$(10,876) =====

## CHANGES

1. ESEA Title I	\$ -0- =====	\$(12,226) =====	\$ -0- =====	\$(10,876) =====
Total Changes	\$ -0- =====	\$(12,226) =====	\$ -0- =====	\$(10,876) =====

### Change 1: ESEA Title I

Eastmont was authorized \$44,108 in fiscal 1982 and \$45,624 in fiscal 1983 of ESEA Title I authority. The office of superintendent of public instruction has notified Eastmont that the actual amount of the Title I grant will be \$31,882 for fiscal 1982 and approximately \$34,748 in fiscal 1983. The legislature reduced federal authority by \$12,226 in fiscal 1982 and \$10,876 in fiscal 1983 due to the reduced funding of the Title I program.

# MOUNTAIN VIEW SCHOOL

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$1,310,400	\$ 89,307	\$1,324,744	\$ 93,927
House Bill 2	<u>1,310,400</u>	<u>73,612</u>	<u>1,324,744</u>	<u>60,702</u>
Change	\$ -0- =====	\$(15,695) =====	\$ -0- =====	\$(33,225) =====

## CHANGES

1. ESEA Title I	\$ -0- =====	\$(15,695) =====	\$ -0- =====	\$(33,225) =====
Total Changes	\$ -0- =====	\$(15,695) =====	\$ -0- =====	\$(33,225) =====

### Change 1: ESEA Title I

Mountain View was authorized \$51,307 in fiscal 1982 and \$55,927 in fiscal 1983 of ESEA Title I authority. The office of superintendent of public instruction has notified Mountain View that the actual amount of the Title I grant will be \$35,612 for fiscal 1982 and approximately \$22,702 in fiscal 1983. The legislature reduced federal authority of \$15,695 in fiscal 1982 and \$33,225 in fiscal 1983 due to the reduced funding of the Title I programs.

# PINE HILLS SCHOOL

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$1,986,558	\$525,454	\$1,983,777	\$536,519
House Bill 2	<u>1,986,558</u>	<u>479,940</u>	<u>1,983,777</u>	<u>460,466</u>
Change	\$ -0- =====	\$(45,514) =====	\$ -0- =====	\$(76,053) =====

## CHANGES

1. ESEA Title I	\$ -0- =====	\$(45,514) =====	\$ -0- =====	\$(76,053) =====
Total Changes	\$ -0- =====	\$(45,514) =====	\$ -0- =====	\$(76,053) =====

### Change 1: ESEA Title I

Pine Hills school was authorized \$120,087 in fiscal 1982 and \$131,152 in fiscal 1983 of ESEA Title I authority. The office of superintendent of public instruction has notified Pine Hills that the actual amount of the Title I grant will be \$74,573 for fiscal 1982 and approximately \$55,099 in fiscal 1983. The legislature reduced federal authority of \$45,514 in fiscal 1982 and \$76,053 in fiscal 1983 due to the reduced funding of the Title I programs.

DEPARTMENT OF INSTITUTIONS  
MONTANA STATE PRISON

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$6,997,980	\$2,392,200	\$7,105,309	\$2,551,521
House Bill 2	<u>7,008,180</u>	<u>2,392,200</u>	<u>7,125,809</u>	<u>2,551,521</u>
Change	\$ 10,200 =====	\$ -0- =====	\$ 20,500 =====	\$ -0- =====

CHANGES

1. Gate Money	\$ 10,200	\$ -0-	\$ 20,500	\$ -0-
Total Changes	\$ 10,200 =====	\$ -0- =====	\$ 20,500 =====	\$ -0- =====

Change 1: Gate Money

In the 1981 legislative session, SB 270 (MCA 53-30-111) was amended to allow discharged or paroled inmates to receive "gate money" in an amount up to \$100. The special session of the legislature increased funding for inmate gate money by \$10,200 in fiscal 1982 and \$20,500 in fiscal 1983. The funds will be used to provide transportation and subsistence for released or paroled inmates.

Language

The legislature inserted the following language in HB 2 to insure the additional funds would be used for inmate gate money.

The general operations appropriation includes:

- "...\$10,200 for fiscal year 1982 and \$20,500 for fiscal year 1983 for prisoner "gate money". If it is determined that the released person should receive \$100 "gate money", the prison is to buy a ticket to the person's destination first and then disburse any remaining funds to the released person."

# SWAN RIVER YOUTH FOREST CAMP

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$639,110	\$95,773	\$642,792	\$96,080
House Bill 2	<u>637,902</u>	<u>96,981</u>	<u>642,792</u>	<u>96,080</u>
Change	\$ (1,208) =====	\$ 1,208 =====	\$ -0- =====	\$ -0- =====

## CHANGES

1. ESEA Title I	<u>\$ (1,208)</u>	<u>\$ 1,208</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Total Changes	<u>\$ (1,208)</u> =====	<u>\$ 1,208</u> =====	<u>\$ -0-</u> =====	<u>\$ -0-</u> =====

### Change 1: ESEA Title I

In fiscal 1982 Swan River was authorized \$9,271 of ESEA Title I funding for supplementary educational services. The office of superintendent of public instruction notified Swan River that the Title I grant will be awarded in the amount of \$10,479 or an increase of \$1,208 for fiscal 1982. Swan River requested, and the legislature approved a reduction of general fund authority by \$1,208 and an increase in other appropriated funds of \$1,208.

# WARM SPRINGS STATE HOSPITAL

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$11,182,794	\$180,466	\$11,374,319	\$190,066
House Bill 2	<u>11,182,794</u>	<u>166,431</u>	<u>11,374,319</u>	<u>169,659</u>
Change	\$ -0- =====	\$(14,035) =====	\$ -0- =====	\$(20,407) =====

## CHANGES

1. ESEA Title I	\$ -0- =====	\$(14,035) =====	\$ -0- =====	\$(20,407) =====
Total Changes	\$ -0- =====	\$(14,035) =====	\$ -0- =====	\$(20,407) =====

### Change 1: ESEA Title 1

Warm Springs was authorized \$32,016 in fiscal 1982 and \$32,016 in fiscal 1983 of ESEA Title I authority. The office of superintendent of public instruction has notified Warm Springs that the actual amount of the Title I grant will be \$17,981 for fiscal 1982 and approximately \$11,609 in fiscal 1983. The legislature reduced federal authority of \$14,035 in fiscal 1982 and \$20,407 in fiscal 1983 due to the reduced funding of the Title I programs.

DEPARTMENT OF INSTITUTIONS  
CENTRAL OFFICE - WOMEN'S CORRECTIONAL FACILITY

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$ 840,000	\$-0-	\$ -0-	\$-0-
House Bill 2	<u>252,581</u>	<u>-0-</u>	<u>492,079</u>	<u>-0-</u>
Change	<u>\$(587,419)</u>	<u>\$-0-</u>	<u>\$492,079</u>	<u>\$-0-</u>

CHANGES

1. Women's Correctional Facility	<u>\$(587,419)</u>	<u>\$-0-</u>	<u>\$492,079</u>	<u>\$-0-</u>
Total Changes	<u>\$(587,419)</u>	<u>\$-0-</u>	<u>\$492,079</u>	<u>\$-0-</u>

Women's Correctional Facility

In the 1981 legislative session a general fund biennial appropriation of \$840,000 was appropriated to the department of institutions for a women's correctional facility. Language in HB 500, the general appropriation act of 1981, required the director of the department of institutions to find a suitable facility for the housing of female offenders prior to the special session of the legislature or February 1982.

The department of institutions recommended and the legislature approved locating a women's correctional facility at Warm Springs. The facility is budgeted for 20 female offenders and is appropriated \$252,581 in fiscal 1982 and \$492,079 in fiscal 1983. This is \$95,340 less than the \$840,000 original appropriation. Table 1 shows the authorized expenditure level.



Table 1  
Approved Budget for Women's Correctional Facility  
at Warm Springs Fiscal Years 1982 and 1983

	FY '82 4/1/82 through 6/30/82	FY '83
a. <u>General Operations</u>		
FTE	13.10	13.10
Personal Services	\$ 54,456	\$251,796
Contracted Services	13,246	48,158
Supplies and Materials	14,992	41,631
Communications	2,233	3,786
Travel	2,627	10,750
Rent	222	1,191
Utilities	1,914	8,581
Repairs	7,423	1,633
Other Expenses	9,186	32,523
Equipment	37,598	-0-
	\$143,897	\$400,049
b. <u>Contingency Fund</u>	15,120	92,030
c. <u>Construction</u>	93,564	-0-
Total	\$252,581 =====	\$492,079 =====

### Language

The legislature placed boiler plate language in HB 2 to restrict the usage of the contingency funds and allow the department of institutions flexibility if the facility is not operational by April 1, 1982. The language states:

"If the women's correctional facility is not operational by April 1, 1982, any excess funds authorized in item "8a" for fiscal 1982 may be used to fund costs associated with keeping women offenders out-of-state beyond April 1, 1982.

The appropriations contained in item "8b" for fiscal 1983 contain \$46,948 for an in-state contingency fund which may be used only if the women's correctional facility exceeds 20 women inmates in fiscal 1983, the Billings' life skills center is at 80 percent capacity and the specific nature and need for additional funding has been approved by the office of budget and program planning. Also contained in item "b" for fiscal 1983 is \$45,082 for an out-of-state contingency fund which may be used if all budgeted out-of-state slots are filled, the State of Montana does not have adequate security facilities to house the inmate, and the specific reasons for the inmate to be transferred out-of-state has been approved by the office of budget and program planning."

# OFFICE OF PUBLIC INSTRUCTION

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$8,761,467	\$3,220,444	\$7,718,017	\$3,293,951
House Bill 2	<u>8,761,467</u>	<u>3,220,444</u>	<u>8,150,196</u>	<u>2,375,513</u>
Change	\$ -0- =====	\$ -0- =====	\$ 432,179 =====	\$ (918,438) =====

## CHANGES

1. Block Grant Admin.	\$ -0-	\$ -0-	\$ 351,964	\$ (677,586)
2. CETA	-0-	-0-	20,291	(108,520)
3. Vo-Ed. Administration	-0-	-0-	59,924	(59,924)
4. Indirect Cost Transfer Authority	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(72,408)</u>
Total Changes	\$ -0- =====	\$ -0- =====	\$ 432,179 =====	\$ (918,438) =====

The legislature appropriated funds to the office of public instruction to offset federal reductions in block grant programs, CETA, and vocational education administration.

### Change 1: Block Grant Administration

The block grant affecting educational programs is contained in chapter 2 of the Education Consolidation and Improvement Act of 1981. Chapter 2 merges 42 categorical grant programs into a single block grant effective October 1, 1982. Table 1 compares legislative appropriation of federal categorical funds made during regular legislative session with anticipated federal funding of block grant programs for state administration. The shortfall in federal funds attributable to the block grant, as table 1 indicates is \$677,586.

Table 1  
Legislative Appropriation Block Grant Programs Versus  
Anticipated Federal Funding, Fiscal Year 1983

<u>Program</u>	<u>Legislative Appropriation</u>	<u>Block Grant Allocation for State Administration*</u>	<u>Difference</u>
Title II	\$ 36,591		
Title IV B	130,558		
Title IV C	129,388		
Title V B	586,410		
Community Education	47,269	\$325,600	\$(677,586)
Teacher Center	21,970		
Career Education	19,000		
National Diffusion Network	32,000		
Total	<u>\$1,003,186</u>	<u>\$325,600</u>	<u>\$(677,586)</u>

\*The Omnibus Reconciliation Act requires OPI to distribute at least 80 percent of the total state allocation to the local districts. The remaining funds, up to 20 percent of the total allocation, are available for state administration.

The legislature appropriated \$351,964 general fund in fiscal 1983 to offset reductions in federal funds which occurred when categorical programs were combined into the block grant. The additional general fund will be used along with anticipated block grant funds of \$325,600 to finance administrative and support functions in the office of public instruction. These changes result in a net reduction for the office administration of \$325,622. The office of public instruction will absorb this reduction by eliminating approximately 9.65 FTE in block grant programs. The budget changes enacted during special session in response to the education block grant are summarized in table 2 below.

Table 2  
Special Session Revisions to Expenditures and Funding  
OPI Block Grant Programs, Fiscal 1983

<u>Expenditures</u>	<u>Fiscal 1983</u>
Legislative Appropriation - Regular Session	\$1,003,186
Budget Reductions Absorbed by OPI	<u>(325,622)</u>
Revised Expenditure Level - Special Session	<u>\$ 677,564</u>
<u>Funding</u>	
Block Grant Allocation	\$ 325,600
General Fund Appropriation - Special Session	<u>351,964</u>
Total Funding	<u>\$ 677,564</u>

#### Carry-Over Funds

The office of public instruction will have approximately \$160,000 of federal carry-over funds at the beginning of fiscal 1983. This amount represents the estimated balance of prior year federal appropriations for those categorical grant programs included in the block grant. It was not clear during the special session whether the full amount of the carry-over funds would be available to fund state administrative operations in fiscal 1983 or whether the carry-over funds would be subject to the 80-20 local/state split. Consequently, the legislature did not appropriate any of the anticipated carry-over funds. The legislature did, however, include language in HB 2 that will require the office of public instruction to revert general fund to the extent that the block grant allocation for state administration plus any available carry-over funds exceeds \$325,600 in fiscal 1983.

Change 2: CETA

The office of public instruction expects a reduction of \$108,520 in CETA revenues for fiscal 1983. Of this amount, \$88,229 provides funding for 3.2 FTE who administer CETA projects in school districts across the state. The remainder, \$20,291, is indirect cost reimbursement which is used to fund accounting, personnel, and other support functions of the office. The legislature appropriated \$20,291 from the general fund in fiscal 1983 to offset the reduction in indirect cost revenues and to maintain the agency's support function at current level.

Change 3: Vocational Education Administration

The legislature provided \$59,924 to offset federal funds reductions for state administration of vocational education. This amount is sufficient to maintain the level of expenditure appropriated in HB 500 of the 1981 regular session. Funds included in OPI appropriations for vocational education administration are compared below. These amounts do not include pay plan costs.

Table 3  
Comparison of Regular and Special Session  
Vocational Education Administrative Funds

<u>Funds</u>	<u>HB 500</u>	<u>HB 2</u>	<u>Change</u>
General Fund	\$198,499	\$258,423	\$59,924
Federal Funds	<u>396,799</u>	<u>336,875</u>	<u>(59,924)</u>
Total	<u>\$595,298</u>	<u>\$595,298</u>	<u>-0-</u>

Federal vocational education funds are used to support the vocational technical centers, the state administrative office, and for grants to public schools and other groups for vocational education programs. The total

federal grant as well as portions used for the vocational technical centers and office administration are listed in table 4. These figures are based upon OPI estimates of federal funds.

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Table 4  
Allocation of Federal Vocational Education Funds

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	Fiscal <u>1982</u>	Fiscal <u>1983</u>
Vo-Tech Centers	\$1,028,880	\$ 843,682
Administration	420,230	336,875
Other	<u>1,091,924</u>	<u>903,090</u>
Total	\$2,541,034 =====	\$2,083,647 =====

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#### Change 4: Indirect Cost Transfer Authority

Appropriations of indirect cost transfer authority were reduced \$72,408 as federal fund reductions will result in less indirect cost collections. Indirect cost funds are used to support OPI accounting, budgeting and personnel functions. This reduction will be made up through direct expenditure of general fund for these purposes. Because the funds will no longer be transferred from federal programs, the transfer authority is not needed.



# VOCATIONAL TECHNICAL CENTERS

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$4,415,877	\$2,747,824	\$5,020,947	\$3,052,001
House Bill 2	<u>4,415,877</u>	<u>2,747,824</u>	<u>5,250,455</u>	<u>3,052,001</u>
Change	\$ -0- =====	\$ -0- =====	\$ 229,508 =====	\$ -0- =====

The legislature appropriated a contingency fund of \$229,508 to the office of public instruction to assist the vocational technical centers if federal funds are reduced. Prior to receiving these contingency funds, the centers must raise resident tuition for a full-time student to at least \$150 per quarter. This tuition increase would raise an additional \$234,810 at the five centers. The tuition, currently \$100, was scheduled to rise to \$120 in fiscal 1983 to meet appropriations contained in HB 500.

The office of public instruction estimates that the centers will receive \$464,318 less federal funds than appropriated in HB 500 for fiscal 1983. This estimate is based on a "worst case" where the level of federal funds would be the lowest of the presidential or congressional proposals currently before congress. The centers are absorbing a reduction of \$171,120 in fiscal 1982 as a result of recisions of federal appropriations. The shortfall by center is detailed in the following table.



Table 1  
Possible Federal Funds Reductions for  
Vocational Technical Centers

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Appropriated HB 500	\$1,200,000	\$1,308,000
Anticipated by OPI	<u>1,028,880</u>	<u>843,682</u>
Shortfall	\$ <u>171,120</u>	\$ <u>464,318</u>
<u>Shortfall by Center</u>		
Billings	\$ 29,946	\$ 82,230
Butte	25,154	67,976
Great Falls	27,894	74,802
Helena	42,609	113,294
Missoula	<u>45,517</u>	<u>126,016</u>
Total Potential Shortfall	\$ 171,120 =====	\$ 464,318 =====

Combining the tuition increase of \$30 per quarter (\$120 to \$150) which raises \$234,810 and the \$229,508 contingency fund, the \$464,318 "worst case" federal revenue shortfall is offset.

Language is included in HB 2 which requires contingency funds not to be used until the federal fund shortfall exceeds the \$234,810 raised by tuition increases. If federal reductions do not occur, tuition increases will not be required.

# SCHOOL FOR THE DEAF AND BLIND

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$1,501,843	\$510,988	\$1,540,847	\$514,247
House Bill 2	<u>1,406,483</u>	<u>564,439</u>	<u>1,482,165</u>	<u>522,929</u>
Change	\$ (95,360)	\$ 53,451	\$ (58,682)	\$ 8,682
	=====	=====	=====	=====
CHANGES				
1. Career Education	\$ 17,000	\$(13,909)	\$ 18,000	\$(18,000)
2. Vocational Education	-0-	-0-	31,766	(31,766)
3. Title I	-0-	-0-	8,912	(8,912)
4. General Fund Savings	(45,000)	-0-	(50,000)	-0-
5. Interest and Income	<u>(67,360)</u>	<u>67,360</u>	<u>(67,360)</u>	<u>\$ 67,360</u>
Total Changes	\$ (95,360)	\$ 53,451	\$ (58,682)	\$ 8,682
	=====	=====	=====	=====

The legislature provided funds to offset federal reductions in three programs: career education, vocational education, and ESEA Title I. General fund reversions were possible through vacancy savings and use of a beginning interest and income fund balance.

## Change 1: Career Education Program

The career education program provides counseling and work-study opportunities to approximately 20 to 30 students at the school. The program is staffed by one FTE and was previously funded with funds available under the comprehensive employment training act (CETA). The program was begun in fiscal 1979 by budget amendment. The 1981 regular legislature appropriated the federal funds to continue the program. State funds were appropriated in the special session as federal funds are no longer anticipated.

## Change 2: Vocational Education Program

The vocational education program consists of two vocational education

instructors who teach courses in wood shop, business machines, typing and physical education. The program provides vocational education opportunities to approximately 11 students at the school who cannot be immediately "main-streamed" into the schools interpreter-tutor program.

The program was initiated by budget amendment in fiscal 1981. The 47th Legislature, in regular session, appropriated federal vocational education funds of \$31,756 in fiscal 1982 and \$31,911 in fiscal 1983 to support the program. The program has received federal funding for fiscal 1982. State funds were appropriated to continue the program in fiscal 1983.

### Change 3: Title I

The school for the deaf and blind has experienced a reduction of \$6,313 in their Title I award for fiscal 1982. Further reductions totalling \$26,217 are anticipated for fiscal 1983. Title I funds are used to support a variety of direct services and support functions at the school for the deaf and blind. Positions funded by Title I include:

- |                                    |                        |
|------------------------------------|------------------------|
| (2) Behavior Counselors            | (1) Psychologist       |
| (1) Physical Recreation Specialist | (1) Library Clerk      |
| (1) Brailist                       | (2) Clerk/Typist       |
| (1) Itinerant Resource Consultant  | (1) Physical Therapist |
| (1) Audiologist                    |                        |

The legislature directed the school to use \$23,618 of Title I carry-over funds and \$8,912 of state funds to fund the Title I program at current level. Table 1 details Title I expenditures authority and program funding approved by the legislature during special session.

Table 1  
Title I Expenditure Authority, Funding  
Fiscal 1982 and 1983

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Total</u>
<u>Expenditure Authority</u>	\$205,361	\$205,361	\$410,722
<u>Funding</u>			
Title I Grant	\$199,048	\$179,144	\$378,192
Title I Carry-Over	6,313	17,305	23,618
General Fund*	<u>-0-</u>	<u>8,912</u>	<u>8,912</u>
Total Funds Available	\$205,361	\$205,361	\$410,722
	=====	=====	=====

\*General fund appropriated during special session.

#### Change 4: General Fund Savings

The school for the deaf and blind had a general fund savings of approximately \$95,000 for the 1983 biennium. This savings was generated by the elimination of the assistant superintendent position, and the retirement of the former superintendent. The legislature appropriated \$75,678 of the savings to fund the career education and vocational education program and part of the Title I program. The remainder of the savings, \$19,322, will revert to the general fund.

#### Change 5: Interest and Income

The school for the deaf and blind had a fund balance of \$154,720 in the interest and income account on June 30, 1981. Interest and income funds are appropriated by the legislature and serve to reduce the amount of general fund necessary to finance current operations of the school.

The 47th Legislature, in regular session, appropriated \$156,571 in fiscal 1982 and \$158,675 in fiscal 1983 from the interest and income account. During special session, the legislature appropriated an additional \$134,720

(\$67,360 in fiscal 1982 and \$67,360 in fiscal 1983) from the school's interest and income fund balance. This appropriation results in a dollar-for-dollar reversion of general fund. The legislature opted to leave a \$20,000 balance in the account as a buffer against lower than anticipated revenues.

# COMMISSIONER OF HIGHER EDUCATION

<u>Appropriation</u>	---Fiscal 1982---		---Fiscal 1983---	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$3,224,551	\$1,149,297	\$3,252,293	\$1,382,050
House Bill 2	<u>3,224,551</u>	<u>1,146,902</u>	<u>3,252,293</u>	<u>1,354,592</u>
Change	\$ -0- =====	\$ (2,395) =====	\$ -0- =====	\$ (27,458) =====

## Federal Administrative Funds

The legislature reduced federal spending authority \$2,395 in fiscal 1982 and \$27,458 in fiscal 1983. These federal funds were used for several special projects relating to long-range planning for the university system. The commissioner's office submitted no request for replacement of these funds.

# DEPARTMENT OF LABOR AND INDUSTRY

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$1,716,584	\$21,474,900	\$1,699,734	\$22,575,772
House Bill 2	<u>1,716,584</u>	<u>19,648,888</u>	<u>1,699,734</u>	<u>20,635,185</u>
Change	\$ -0- =====	\$(1,826,012) =====	\$ -0- =====	\$(1,940,587) =====

## CHANGES

1. Labor Standards	\$ -0-	\$ 37,955	\$ -0-	\$ 13,382
2. Employment and Training	-0-	(238,588)	-0-	(243,448)
3. Migrant and Youth Training	-0-	127,069	-0-	131,969
4. Employment Security	<u>-0-</u>	<u>(1,752,448)</u>	<u>-0-</u>	<u>(1,842,490)</u>
Total Changes	\$ -0- =====	\$(1,826,012) =====	\$ -0- =====	\$(1,940,587) =====

The department of labor and industry had four changes to their budget. The net effect is a reduction in federal authority of \$1,826,012 in fiscal 1982 and \$1,940,587 in fiscal 1983. There is also an overall reduction in authorized FTE's of 115.62 in fiscal 1982 and 121.92 FTE's in fiscal 1983. Each change is discussed below.

### Change 1: Labor Standards

The legislature appropriated additional federal funds of \$37,955 in fiscal 1982 and \$13,382 in fiscal 1983. The additional authority is for 1.5 FTE in the apprenticeship's bureau. The funding comes from the federal veterans' administration and the positions are used for service to veterans. The following language was also approved.

"In Item 2, upon receipt of the federal veterans' administration contract, general fund of \$7,254 in fiscal 1982 and \$2,762 in fiscal 1983 shall be reverted."



The general fund reversion applies to a .5 FTE clerical position for which the department can use the federal veteran funds to support.

Change 2: Employment and Training

The legislature reduced federal authority by \$238,588 in fiscal 1982 and \$243,448 in fiscal 1983. The employment and training division administers the comprehensive employment and training act (CETA). The reductions are a direct result of reduced federal authority due to the loss in CETA funding. This reduction includes the termination of CETA's public service employee (PSE) program. The FTE reduction is 9.62 in fiscal 1982 and 10.00 in fiscal 1983.

Change 3: Migrant and Youth Training

The legislature approved additional federal funds of \$127,069 in fiscal 1982 and \$131,969 in fiscal 1983 plus 4.0 FTE for migrant and youth training programs which were transferred from the department of social and rehabilitation services. The programs were previously part of the now defunct department of community affairs. These services are more in line with the goals of the department of labor than with those of SRS. The programs provide job training, work experience and counseling to low income people. These programs are CETA programs not discontinued by the federal government.

Change 4: Employment Security

The legislature decreased federal authority by \$1,752,448 in fiscal 1982 and \$1,842,490 in fiscal 1983. A loss of this federal funding for employment security, unemployment insurance, and CETA results in the reduction shown in table 1.

Table 1  
Federal Funding Reduction - by Federal Source

<u>Federal Source</u>	<u>FY '82 Reduction</u>	<u>FY '83 Reduction</u>	<u>Biennium Total</u>
Employment Security	\$ (482,680)	\$ (590,729)	\$(1,073,409)
Unemployment Insurance	(87,556)	(104,900)	(192,456)
CETA	<u>(1,182,212)</u>	<u>(1,146,861)</u>	<u>(2,329,073)</u>
Total	<u>\$(1,752,448)</u>	<u>\$(1,842,490)</u>	<u>\$(3,594,938)</u>

The loss of federal funds in Table 1 has resulted in staff reductions at the job service centers. However, the agency indicates no centers will be closed. FTE are reduced in fiscal 1982 by 107.5 with a resulting savings of \$1,717,152 in personal services and \$35,296 in operating expenses. In fiscal 1983, 113.5 FTE are reduced. The total savings for personal services in fiscal 1983 is \$1,807,194. Operating expenses are reduced by \$35,296.

Table 1 also reflects a three percent reduction in unemployment insurance funds, which are used to administer the program. Unemployment insurance benefits may have to be revised or, in some instances, eliminated due to significant revisions in federal provisions concerning extended benefits, unemployment compensation for ex-servicemen, and child support intercept of unemployment insurance and trade adjustment assistance.

#### Laws Affecting the Department of Labor

The following laws were passed by the legislature during the special session and were a result of federal regulation changes in the Omnibus Reconciliation Act of 1981.

1. Senate bill 1 authorizes approved readjustment training when a claimant is eligible for trade readjustment benefits. It also limits the number of weeks duration of trade readjustment benefits if the claimant is eligible for extended benefits.

2. Senate bill 2 authorizes the unemployment insurance division to identify program participants with child support obligations. The division may then notify the appropriate child support enforcement agency and under certain circumstances transfer a portion of the participant's unemployment insurance benefits to the enforcement agency.

3. Senate bill 3 eliminates reference to the national "on" and "off" extended benefit indicator and establishes a new state "on" and "off" extended benefit indicator. The old extended benefit indicator at four percent was changed to five percent or greater. It also further defines the calculation for the rate of insured unemployment using only regular unemployment benefits.

# DEPARTMENT OF HEALTH

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$3,106,919	\$17,422,013	\$3,125,004	\$18,174,500
House Bill 2	<u>3,112,201</u>	<u>17,715,835</u>	<u>3,204,264</u>	<u>17,540,108</u>
Change	\$ 5,282	\$ 293,822	\$ 79,260	\$ (634,392)
	=====	=====	=====	=====

## CHANGES

1. Maternal and Child Health				
Block Grant	\$ -0-	\$ (156,000)	\$ -0-	\$ (391,493)
2. Preventive Health Services				
Block Grant	-0-	-0-	-0-	-0-
a. Emergency Medical				
Services	(20,000)	327,750	(20,000)	(287,937)
b. Director's Office	-0-	190,150	-0-	167,000
3. Early Periodic Screening				
Diagnosis & Treatment	-0-	(50,841)	-0-	(84,021)
4. Medicaid Certification	-0-	-0-	-0-	(13,941)
5. Merit System	(1,955)	-0-	(4,740)	-0-
6. Solid Waste	17,237	(17,237)	20,000	(20,000)
7. Air Quality	-0-	-0-	30,000	-0-
8. Food & Consumer Safety	-0-	-0-	38,000	(38,000)
9. Laboratory				
a. Use of Block Grant				
Funds	-0-	-0-	-0-	34,000
b. General Fund				
Increase	<u>10,000</u>	<u>-0-</u>	<u>16,000</u>	<u>-0-</u>
Total Changes	\$ 5,282	\$ 293,822	\$ 79,260	\$ (634,392)
	=====	=====	=====	=====

Legislative changes to the health department resulted in an increase of general fund by \$5,282 in fiscal 1982 and \$79,260 in fiscal 1983. "Other" authority increases \$293,822 in fiscal 1982 and decreases by \$634,392 in fiscal 1983. FTE are reduced by 7.5 in fiscal 1982 and 11.00 in fiscal 1983.

### Change 1: Maternal and Child Health (MCH) Block Grant

The legislature recommends the acceptance of the MCH block grant. There is a reduction in federal authority of \$156,000 in fiscal 1982 and \$391,493 in fiscal 1983 as the block grant amount was reduced at the federal level from the previous categorical amounts.

FTE are reduced 4.50 in fiscal 1982 and 8.00 in fiscal 1983. These reductions are itemized in table 1.

Table 1  
FTE Reductions Within the MCH Block Grant Areas

Position	Grade	-----FTE-----	
		1982	1983
General Office Clerk	7	1.00	1.00
Nurse	15	.50	.50
Nutritionist	14	1.00	1.00
Nutritionist	15	1.00	1.00
Education Specialist	14	1.00	1.00
Audiologist II	14		1.00
Medical Assistant	8		.50
Administrative Officer	15		1.00
Social Worker	14		1.00
Total Reduced FTE		4.50	8.00

Within the reconciliation bill Montana would receive \$1,489,900 in federal fiscal 1982 and 1983 for the MCH block grant. The department of health's proposal for expenditures of these funds is detailed in table 2.

Table 2  
Proposed Expenditure of MCH Block Grant Funds

Maternal and Child Health	Categorical Grants FY 1981	Block Grant FY 1982 and 1983	% Change (Decrease)
Aid to Locals	\$ 573,149	\$ 920,356	60.6
Consultation and Technical Assistance to Locals	441,151	58,726	(86.7)
Administration	112,700	63,848	(43.4)
Total	\$1,127,000	\$1,042,930	(7.5)
Crippled Children Services			
Evaluation Services	\$ 199,015	\$ 175,186	(12.0)
Medical Payments	231,903	253,170	9.2
Administration	24,082	18,614	(22.7)
Total	\$ 455,000	\$ 446,970	(1.8)
Supplemental Security Income	\$ 117,000	\$ -0-	(100.0)
Grand Total	\$1,699,000	\$1,489,900	(12.3)
	=====	=====	=====

Within the crippled children services allocation, \$175,186 was proposed for evaluation services. The legislature directed the department to make available an additional \$30,000 for these services, specifically identifying the evaluation centers at Missoula and Billings. The program(s) to be decreased accordingly will be at the discretion of the director.

#### Change 2: Preventive Health Block Grant

The legislature recommends the acceptance of the preventive health block grant. Montana would receive \$992,000 in federal fiscal 1982 and 1983 according to the reconciliation bill. The legislature directs the expenditure of these monies as follows:

Table 3  
Expenditure of Preventive Health Block Grant Funds

	State Fiscal <u>1982</u>	State Fiscal <u>1983</u>
Hypertension	\$ 93,000	\$124,000
Risk Reduction	-0-	61,000
Diabetes	56,250	75,000
Emergency Med. Services (EMS)	327,750	403,000
Grants to Local Health Agencies	190,150	167,000
Administrative Costs	74,400	99,200
Dental Bureau	2,450	28,800
Laboratory	-0-	34,000
Total	\$744,000* =====	\$992,000 =====

\*Only 75 percent of the block grant or \$744,000 may be spent in state fiscal 1982 because of the difference in state and federal fiscal years.

#### Change 2a: Emergency Medical Services (EMS)

The amount of funds available for EMS will be substantially greater in fiscal 1982 than anticipated by the 1981 regular session. In addition to block grant funds the federal government is allowing EMS to receive a categorical grant in fiscal 1982 (which is made of fiscal 1981 money) and



also will allow the program to utilize fiscal 1981 carry-over funds. Table 4 illustrates funding which will be available to the EMS program and compares this to the department's spending authority allocation before receiving the block grant.

Table 4  
Anticipated Federal Funds Versus Actual Spending  
Authority for EMS in Fiscal Years 1982 and 1983

	State Fiscal 1982	State Fiscal 1983
Block Grant	\$ 327,750*	\$ 403,000
Categorical Grant	437,000	-0-
Carry-Over	494,799	-0-
Total Expenditures	\$1,259,549	\$ 403,000
Department Allocation Before Block Grant	931,799	690,937
Difference	\$ 327,750 =====	\$(287,937) =====
*Represents first three quarters of the block grant period.		

Because of the difference between the department's allocated level and the anticipated funding level, federal authority for the EMS program was increased by \$327,750 in fiscal 1982 and decreased by \$(287,937) in fiscal 1983.

The legislature reduced \$20,000 general fund per year from the EMS program's operating expenses due to excess federal funds received. Of these amounts \$10,000 in fiscal 1982 and \$16,000 in fiscal 1983 will be transferred from EMS's operating expenses to the laboratory division. The remaining general fund, \$10,000 and \$4,000, will revert. (See lab write-up for additional detail.)



The legislature reduced the department's proposed 1983 EMS block grant allocation of \$437,000 by \$34,000 in order to fund the microbiology lab by a similar amount. This \$34,000 would offset the loss of federal funds within the lab.

#### Change 2b: Director's Office

The legislature accepted the department's proposal to make grants to local health agencies from the block grant. Spending authority was increased by \$190,150 in fiscal 1982 and \$167,000 in fiscal 1983 to allow for these grants. Use of these funds will be for general public health in areas of nursing, sanitation, etc.

Up to ten percent of the preventive health block grant may be used for administration. The full ten percent will be utilized within the director's office rather than allocate indirect costs from each of the individual programs.

#### Change 3: Early Periodic Screening Diagnosis and Treatment (EPSDT)

The EPSDT project was terminated October 1, 1981 due to the repeal of a federal mandate. Health screening services offered to children through EPSDT will be covered by other federally assisted programs. Federal funds are reduced by \$50,841 in fiscal 1982 and \$84,021 in fiscal 1983. Three FTE will be reduced in each year. These positions are a program manager, grade 14; a nurse II, grade 13; and an administrative aid II, grade 8.

#### Change 4: Medicaid Certification

The federal grant for medicaid certification is anticipated to be at a reduced level in fiscal 1983. Excess federal authority was therefore reduced by \$13,941. The general fund match of \$2,500 was line-itemed to allow sufficient match should federal funds become available and to assure a reversion if they do not.

Change 5: Merit System

Functions of the merit system council (within the department of administration) have been decentralized. General fund, appropriated to the health department for this purpose, was reduced by \$1,955 in fiscal 1982 and \$4,740 in fiscal 1983. Other funds were not reduced but may be used to meet merit system needs of the department.

Change 6: Solid Waste Management

Federal funding for solid waste management decreased \$17,237 in fiscal 1982 and \$20,000 in fiscal 1983. The legislature allowed this program to remain at current level. The lost federal funds were replaced with general fund. This program is now totally funded with general fund.

Change 7: Air Quality

The air quality division is currently monitoring the air quality in the Scobey area to establish baseline data prior to the operation of the Canadian power plant across the border. The purpose of this monitoring is to determine the effects of the power plant on the air quality of the Scobey area. The last legislature provided \$35,512 general fund to allow the monitoring to continue during fiscal 1982 as the power plant operation was delayed.

The power plant operation has been further delayed, and the legislature appropriated \$30,000 general fund for contracted services to continue the monitoring of air quality in Scobey for fiscal 1983.

Change 8: Food and Consumer Safety

The legislature appropriated \$38,000 general fund in fiscal 1983 to replace lost federal funds for inspection of grain elevators and public food warehouses. These funds support 1.0 FTE, and include \$28,028 for personal services and \$9,972 for operating expenses.

Change 9a: Laboratory - Block Grant Funds

In the microbiology lab, the legislature approved a replacement of lost federal family planning funds with part of the preventive health block grant funds for personal services totalling \$34,000 in fiscal 1983.

Change 9b: Laboratory - General Fund Increase

The legislature appropriated additional general fund of \$10,000 in fiscal 1982 and \$16,000 in fiscal 1983 for the lab's operating expenses. This increase was a result of excess general fund which was transferred from the emergency medical services program. It was the legislature's intent that these additional operating expenses be used as shown in the following table.

Table 5  
Intended Use of Additional General Fund  
Within the Laboratory

	--FY 1982--		--FY 1983--	
	Micro <u>Lab</u>	Chem. <u>Lab</u>	Micro <u>Lab</u>	Chem. <u>Lab</u>
Contracted Services	\$ -0-	\$-0-	\$ 2,000	\$ -0-
Supplies	9,000	-0-	9,000	2,000
Utilities	1,000	-0-	-0-	1,000
Repair	<u>-0-</u>	<u>-0-</u>	<u>1,000</u>	<u>1,000</u>
Total	\$10,000 =====	\$-0- =====	\$12,000 =====	\$4,000 =====

## PRIMARY CARE BLOCK GRANT

The legislature recommends that the state not accept the administration of the primary care block grant. This block grant, which would become available in fiscal 1983 will continue to be administered by the federal government if the state does not accept the block grant.

At the maximum, Montana would be eligible for \$144,900 in fiscal 1983. None of these funds would be allowed for administration purposes.



# DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

<u>Appropriation</u>	<u>---Fiscal 1982---</u>		<u>---Fiscal 1983---</u>	
	<u>General Fund</u>	<u>Other Funds</u>	<u>General Fund</u>	<u>Other Funds</u>
House Bill 500	\$50,062,637	\$24,612,726	\$55,013,481	\$25,479,633
House Bill 2	54,143,224	23,300,181	55,836,770	25,790,000
Change	\$ 4,080,587	\$(1,312,545)	\$ 823,289	\$ 310,367
	=====	=====	=====	=====

## CHANGES

1. AFDC	\$ (837,469)	\$ -0-	\$ (914,531)	\$ -0-
2. Medicaid	1,486,996	-0-	557,190	-0-
a. Medicaid Language	-0-	-0-	-0-	-0-
3. Social Services	4,720,604	(898,670)	2,656,304	(149,400)
4. Low Income Energy Assistance Program	(834,362)	834,362	(834,362)	834,362
5. Community Services Block Grant				1,083,262
6. Dept. of Com. Affairs	-0-	(761,003)	-0-	(896,416)
7. Admin. Savings	(234,182)	(487,294)	(274,912)	(561,441)
8. Developmentally Disabled	(221,000)	-0-	(366,400)	-0-
Total Changes	\$ 4,080,587	\$(1,312,545)	\$ 823,289	\$ 310,367
	=====	=====	=====	=====

The legislature increased general fund by \$4,080,587 in fiscal 1982 and \$823,289 in fiscal 1983. "Other" authority decreases \$1,312,545 in fiscal 1982 and increases \$310,367 in fiscal 1983. FTE are reduced by 20.62 in fiscal 1982 and 23.75 in fiscal 1983.

## Change 1: Aid to Families with Dependent Children (AFDC)

The AFDC program was reduced for a savings of \$6,145,917 of which \$1,752,000 is general fund. Federal and state legislative changes in the AFDC program are discussed in the following sections.

## Average Payment

The 1981 legislature determined the average payment per AFDC case at \$270 for fiscal 1982 and \$285 for fiscal 1983. After budget adjustments (day care and SSI court settlement described later) made in the special

session the average payment per AFDC case increased to \$276.36 for fiscal 1982 and \$301.10 for fiscal 1983.

### AFDC Case Load Adjustments

The 1981 legislature based the AFDC appropriation on 7,230 cases. The average case load is now projected by SRS to be 7,141 before making any program changes. After both state and federal program changes SRS projects the case load at 5,491 or 1,739 less. This is a 32 percent reduction. Table 1 indicates the AFDC case reductions and dollar savings.

Table 1  
AFDC Cases No Longer Eligible Because  
of Federal and Legislative Action

	<u>Cases</u>	<u>Total Biennium Savings</u>	<u>General Fund Savings</u>
<u>Federal Changes</u>			
Changes in Payment Calculation	240	\$ (840,000)	\$ (239,465)
Stepparent Eliminated	780	(1,398,000)	(398,454)
Pregnant Women Covered only in Third Trimester	<u>140</u>	<u>(842,000)</u>	<u>(240,034)</u>
Total Federal Savings	1,160	\$(3,080,000)	\$ (877,953)
<u>LEGISLATIVE ACTION</u>			
Unemployed Parent	490	(3,372,000)	(961,280)
Lower Case Load	89	(572,448)	(163,148)
Reduced Payment Standard		(1,000,804)	(285,229)
Budget Adjustments			
SSI Court Case	673,313		191,894
Day Care	499,063		142,233
Average Payment Increase	<u>706,959</u>		<u>201,483</u>
Total Budget Adjustments		<u>1,879,335</u>	<u>535,610</u>
TOTAL LEGISLATIVE ACTION	579	<u>(3,065,917)</u>	<u>(874,047)</u>
TOTAL SAVINGS FROM FEDERAL AND LEGISLATIVE ACTION	1,739 =====	\$(6,145,917) =====	\$(1,752,000) =====



The following changes as reflected in table 1 are discussed below: 1) change in the payment calculation; 2) elimination of stepparent; 3) pregnant women covered only in the third trimester; 4) elimination of unemployed parents; 5) a lower estimated case load; 6) a reduced payment standard for six months; and 7) budget adjustments for additional funding for the cases. Changes 1, 2, and 3 were made by the federal government. The governor requested changes 4, 5, 6, and 7.

#### Federal Changes

1. Change in Payment Calculation. The change in the payment calculation eliminates cases which do have an income and decreases payments of continued AFDC recipients. This will result in a total savings of \$840,000 of which \$239,465 is general fund.

2. Stepparent Eliminated. House bill 6 eliminates AFDC stepparent cases. This elimination applies only to those families in which the stepparent has sufficient income to support the entire family unit. A stepparent will be financially responsible for their spouses children. This saves \$1,398,000 in total and \$398,454 of general fund.

3. Pregnant Women Covered Only in Third Trimester. House bill 5 provides that a pregnant woman with no other children is no longer eligible for AFDC until the last trimester of pregnancy and the unborn child is not included in the AFDC payment. She will still be eligible for medicaid benefits the entire pregnancy. This results in a total savings of \$842,000 of which \$240,034 is general fund.

#### State Changes Requested by the Governor

4. Unemployed Parents. House bill 4 discontinues the unemployed

parent program which is currently part of the AFDC program. The unemployed parent cases consist of two able-bodied, unemployed persons both of whom are potential wage earners. An estimated 490 cases will be dropped at a savings of \$3,372,000 for the biennium. This would be a general fund savings of \$961,280.

5. Lower Case Load. SRS projects the average case load with no program changes to be 7,141 in fiscal 1982 and in fiscal 1983. This is 89 fewer cases than anticipated when the 1981 legislature established the appropriation. This reduced case load saves \$572,448 in the biennium. The general fund savings is \$163,148.

6. Poverty Index. The 1981 legislature intended to raise the AFDC payment standard from 50 percent to 55 percent of the poverty index. SRS has maintained the payment standard at 50 percent of the poverty index and plans to raise it to 55 percent January 1, 1982. The legislature approved this action saving \$1,000,804 total funds of which \$285,229 is general fund.

7. Budget Adjustments. SRS received an additional \$1,879,335 of which \$535,610 is general fund to prevent an SSI court case and additional funds for training day care.

The SSI court case problem results from children of SSI recipients receiving a family AFDC assistance grant rather than a child only AFDC grant. Montana has been paying child only grants. Instead of engaging in a costly court battle the legislature decided to pay the SSI recipients the family AFDC grant. Precedent has been set in a case in New York state and all available information indicates Montana would not win if taken to court.

Additional funds for training daycare were appropriated because of updated cost estimates made during the special session.

## Change 2: Medicaid

The legislature appropriated general fund of \$2,044,186 to offset federal medicaid cuts. This resulted from a combination of the following factors: 1) federal matching rate change; 2) federal sanction; 3) change in the payment calculation; 4) stepparent eliminated; 5) reduced case load; 6) unemployed parent eliminated; 7) EPSDT outreach eliminated; 8) coordination of medicare and medicaid payments; and 9) delay in ten percent provider rate increase. Changes 1, 2, 3, and 4 were federal changes while 5 through 9 were state changes requested by the governor.

1. Federal Matching Rate Change. The federal government reduced their percentage participation in the medicaid program. The federal match will decrease from 65.15 percent to 63.73 percent in fiscal 1982 and from 65.34 percent to 62.84 percent in fiscal 1983. This is a three and a four percent drop, respectively. This will result in a biennium reduction of \$3,456,783 of federal fund matching dollars.

2. Federal Sanction. The legislature approved \$1,402,473 of general fund to replace federal funds that were withheld because of a federal sanction taken against the state. From 1968 through 1976 hospitals were reimbursed for medicaid patients under a contract that essentially allowed billed charges. In some cases the billed charges exceeded audited medicaid costs and the differences between the two costs were disallowed. The one-time disallowance is \$1,402,473.

## Medicaid Reductions

Due to reductions in the AFDC case load, the medicaid case load will also decrease. Therefore, some of this federal funds loss will be offset by reductions in the medicaid program. Changes in the medicaid program are discussed in the following sections.

Reduced AFDC Case Load (Changes 3 through 6)

The 1,020 AFDC cases no longer eligible for AFDC due to federal regulation changes will no longer be eligible for medicaid. The legislature has discontinued unemployed parents as part of the AFDC program. These 490 cases will also lose medicaid coverage. Table 2 shows the projected medicaid savings from the decreased AFDC case load.

Table 2  
AFDC Cases No Longer Eligible for Medicaid Because  
of Federal Regulations and Legislative Action

	-----1983 Biennium-----		
	<u>Cases</u>	<u>Total Savings</u>	<u>General Fund Savings</u>
<u>Federal Action</u>			
3. Changes in Payment Calculation	240	\$ 896,000	\$ 310,553
4. Stepparent Eliminated	<u>780</u>	<u>1,172,000</u>	<u>406,215</u>
Federal Savings	1,020	\$2,068,000	\$ 716,768
<u>Legislative Action</u>			
5. Reduced Caseload	89	362,510	125,646
6. Unemployed Parent Eliminated	490	3,139,000	1,087,978
Total Legislative Action	<u>579</u>	<u>3,501,510</u>	<u>1,213,624</u>
Total Savings	1,599	\$5,569,510	\$1,930,392
	=====	=====	=====

Other Action

Other reductions requested by the governor and accepted by the legislature in the medicaid program for additional dollar savings are as follows.

7. EPSDT Outreach Eliminated. Elimination on October 1, 1981 of the early periodic screening detection and treatment outreach services for a general fund savings of \$130,650.

8. Coordination of Medicare and Medicaid Payments. Certain medicaid recipients are eligible for both medicare and medicaid programs. Medicaid has been paying the portion of the bill not paid by medicare under medicare rates rather than the lower medicaid rates. These payments will be based on the medicaid rate schedule which results in a \$454,913 general fund savings.

9. Delay in Ten Percent Provider Rate Increase. During the 1981 regular session the legislature intended that medical providers receive a ten percent increase for payment rates each year of the biennium. SRS has delayed making this first ten percent increase until January 1, 1982 which was approved by the legislature. This six-month delay results in a general fund savings of \$299,115 in fiscal 1982.

Table 3 shows the total savings from these reductions.

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Table 3  
Other Reductions in the Medicaid Program

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<u>Service</u>	-----1983 Biennium-----	
	<u>Total Savings</u>	<u>General Fund Savings</u>
EPSDT Eliminated	\$ 452,603	\$130,650
Coordinating Medicare and Medicaid Payments	1,312,500	454,913
Delay in 10% Provider Rate Increase	<u>850,000</u>	<u>299,115</u>
Total Other Savings	<u>\$2,615,103</u> =====	<u>\$884,678</u> =====

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#### Fiscal Impact on Medicaid

The following table summarizes the general fund required to keep medicaid services at current level after federal and legislative action.

Table 4  
General Fund Required to Maintain  
Current Level Medicaid Services

	<u>1983 Biennium</u>	
FEDERAL CUTS AND SANCTION		
1. Federal Matching Rate Change	\$3,456,783	
2. Federal Sanction (one-time)	<u>1,402,473</u>	
Total Reduced Federal Funding		\$ 4,859,256
SAVINGS		
Federal Action		
3. Change in Payment Calculation	(310,553)	
4. Stepparent Eliminated	(406,215)	
Total Federal Action		(716,768)
Legislative Action		
5. Reduced Case Load (89)	(125,646)	
6. Unemployed Parent Eliminated	(1,087,978)	
7. EPSDT Outreach Eliminated	(130,650)	
8. Coordinating Medicare & Medicaid Payments	(454,913)	
9. Delay in 10% Provider Rate Increase	<u>(299,115)</u>	
Total Legislative Action		<u>(2,098,302)</u>
GENERAL FUND FOR MEDICAID		\$ 2,044,186 =====

#### Change 2a: Alternative Accounting for Medicaid Accrual

Since April, SRS has examined the budget control problems with the medicaid program. They have done two things. First, they have implemented a program to determine the date of service for bills being paid. This will enable them to properly record expenditures for services in the year the services were rendered.

Second, separate responsibility centers are established in SBAS which will allow a better track to compare cash outlays to the Dikewood Report. The Dikewood Report identifies the number of services, the type of services, and the cost per service related to cash outlays for each fiscal year.



With the above two changes and the requirement for the legislative auditor to check the medicaid accrual each year, the legislature changed the accrual appropriation and the related language to avoid the potential of SRS spending more general fund than appropriated for cash outlays. The legislature line itemed the two medicaid appropriations. The one for non-institutional medicaid is no longer split between cash outlays and accruals. Instead, the appropriation is line itemed at \$27,738,475 for fiscal 1982 and \$29,288,976 for fiscal 1983. The appropriation for institutional reimbursements is changed to \$3,277,327 general fund for fiscal 1982 and \$3,612,174 general fund for fiscal 1983. These revisions are detailed in table 5.



Table 5  
Amounts for Institutional  
and Noninstitutional Medicaid Appropriations

-----NonInstitutional Medicaid-----		
	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Appropriated		
- Cash (Noninstitution)	\$21,787,054	\$23,925,540
- Accrual	<u>4,350,000</u>	<u>4,785,000</u>
Total Appropriated Expenditures (Noninstitution)	\$26,137,054	\$28,710,540
Additional General Fund Required for Medicaid (Noninstitution)	1,388,148	2,204,306
Plus Federal Sanction	1,402,473	
Less General Fund Program Savings	<u>(1,189,200)</u>	<u>(1,625,870)</u>
Revised Noninstitutional Medicaid Appropriation	\$27,738,475 =====	\$29,288,976 =====
-----Institutional Medicaid Reimbursements-----		
	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Appropriated		
- Cash (Institutions)	\$ 3,134,021	\$ 3,369,523
Additional General Fund Due to Federal Cutbacks	<u>143,306</u>	<u>242,651</u>
Revised Institution Medicaid Appropriation	\$3,277,327 =====	\$3,612,174 =====

<sup>1</sup>These amounts are line itemed in the appropriation bill.

The legislature included the following language in the appropriations bill to clarify their position on the medicaid accrual.

"All medicaid expenses shall be accrued in the appropriate fiscal year as required by the state modified accrual system of accounting. The legislative auditor shall audit the medicaid accrual by October 1 of each year to test for compliance with this requirement.

The legislature has determined that the requirements set forth in section 5, house bill 94, laws of 1981, restricting the use of appropriations to the department of social and rehabilitation services in regards to medicaid accruals are no longer necessary, therefore, except as expressly provided within this act, there are not restrictions relating to accrual procedures for any appropriation denominated "medicaid accrual" in any appropriations measure passed by the 47th Legislature: thus the department may have cash outlays against medicaid accrual appropriations."

The legislature also approved the following language which allows SRS to transfer general fund appropriated in fiscal 1983 to fiscal 1982 to offset any further federal cuts in medicaid in fiscal 1982. It does not allow for expansion in the medicaid program.

"In item 2 and item 3 general fund appropriated for fiscal 1983 may be transferred to fiscal 1982. If there are further reductions in the federal medicaid funds, expenditures from all funds for item 3 may not exceed \$75,048,766 in fiscal 1982."

#### Change 3: Social Services Block Grant

This block grant is a combination of Title XX social services funds and Title XX training funds. The state will determine the types of social services to be provided by these funds. The services may include expenditures for administration personnel, training, workshops and conferences for training.

#### Matching Requirement

There is no matching requirement for these funds. A state may also carry-over all or any portion of its allotment from one fiscal year to the next.

#### Transfer Authority

Each state is authorized to transfer up to ten percent per fiscal year of its Title XX allotment for use in the health and/or low income energy assistance programs. This was not proposed by SRS.

### Title XX Funds Distribution

The amount of funds estimated by the legislature to be received for the 1983 biennium is \$14,496,500. During last session Title XX funds were estimated to be \$21,873,408 for the biennium. This is a difference of \$7,376,908. Included in this \$7,376,908 reduction of social services grant funds is a \$2,072,550 reduction resulting from a timing difference between the state and federal fiscal years for fiscal 1982.

The state fiscal year and federal fiscal year are a quarter different. The federal department of health and human services has distributed the Title XX funds on a quarterly basis, and it appears now that Montana may on a one-time basis have to make up one quarter of Title XX funds. The legislature made up this quarter difference with \$2,072,500 general fund in fiscal 1982. However, the following language was included in case the timing difference did not occur.

"In the amount the social services block grant funds exceed \$6,206,500 in fiscal 1982, SRS shall revert a like amount of general fund."

The legislature also included the following language which allows SRS to transfer general fund appropriated in fiscal 1983 to fiscal 1982 to offset any further federal cuts in the social services block grant in fiscal 1982. It does not allow the program to expand.

"If the social service block grant funds are less than \$6,206,500 in fiscal 1982, SRS may transfer general fund from fiscal 1983 in item 1 to replace the amount of decreased social service block grant funds."

Table 6 shows which programs Title XX funds support. Included are appropriated and nonappropriated funds. The nonappropriated funds being those funds which flow through from the state to local entities such as to developmental disability (DD) providers. It also indicates the federal reductions in the social services block grant.

Table 6  
Title XX Funds in SRS

<u>Social Services</u>	<u>Fiscal Year 1982</u>	<u>Fiscal Year 1983</u>	<u>1983 Biennium</u>
Title XX Social Services	\$ 5,162,047	\$ 5,242,000	\$ 10,404,047
Title XX Training	304,156	308,962	613,118
Administrative Support			
Title XX Social Services	736,538	715,437	1,451,975
Title XX Training	20,440	20,579	41,019
Audit & Program Compliance			
Title XX Social Services	21,597	21,812	43,409
Developmental Disabilities			
Title XX Social Services	4,242,218	4,155,436	8,397,654
Title XX Training	162,960	177,215	340,175
Reimbursement to Counties	<u>277,148</u>	<u>304,863</u>	<u>582,011</u>
Total Title XX Funds Estimated by 1981 Legislature	\$10,927,104	\$10,946,304	\$ 21,873,408
Total Title XX Funds Estimated by the Special Session Legislature	<u>(6,206,500)</u>	<u>(8,290,000)</u>	<u>(14,496,500)</u>
Total Social Services Block Grant Reduction	\$ 4,720,604 =====	\$ 2,656,304 =====	\$ 7,376,908 =====

#### Change 4: Low Income Energy Assistance Block Grant

The legislature transferred \$1,668,724 from this block grant to offset social service block grant cuts. The following language was included.

"For the 1983 biennium SRS shall transfer ten percent of the amount received from the low income home energy assistance block grant not to exceed \$1,668,724 to the social services block grant."

#### 1981 Reconciliation Act

The Reconciliation Act of 1981 has authorized a national level of funds for this block grant at \$1.85 billion. However, President Reagan has targeted this program to be reduced by 25 percent or to \$1.4 billion. The

maximum and minimum Montana could receive are illustrated on table 7. The table also shows the Indian tribe allocation.

Table 7  
Montana's Maximum and Minimum Allocation  
of the LIEA Block Grant

<u>Recipient</u>	<u>----Maximum----</u>		<u>----Minimum----</u>	
	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
State	\$11,124,830	\$11,124,830	\$ 8,343,623	\$ 8,343,623
Indian Tribe	<u>2,657,170</u>	<u>2,657,170</u>	<u>1,992,877</u>	<u>1,992,877</u>
Total	<u>\$13,782,000</u> =====	<u>\$13,782,000</u> =====	<u>\$10,336,500</u> =====	<u>\$10,336,500</u> =====

If Montana received the maximum amount this would be a 6.82 percent increase over the fiscal 1981 grant. If Montana received the minimum amount this would be a 19.9 percent decrease from fiscal 1981. Table 8 illustrates this.

Table 8  
FY '82 and '83 Increase over FY '81

<u>Recipient</u>	<u>FY '81</u>	<u>Percent Increase</u>	<u>Maximum FY '82</u>	<u>Percent Decrease</u>	<u>Minimum FY '82</u>
State	\$10,838,285	2.64	\$11,124,830	(23.0)	\$ 8,343,623
Indian	<u>2,064,345</u>	<u>28.72</u>	<u>2,657,170</u>	<u>(3.5)</u>	<u>1,992,877</u>
Total	<u>\$12,902,630</u> =====	<u>6.82</u> =====	<u>\$13,782,000</u> =====	<u>(19.9)</u> =====	<u>\$10,336,500</u> =====

### Transfer of Funds

The state is allowed to transfer up to ten percent of this block grant allotment to social services, community services, health services, health promotion and disease prevention programs or any combination of these

have the secretary of HHS exercise this responsibility for one or more quarters of that year. For this purpose the quarters of fiscal 1982 shall begin on October 1, 1981, January 1, April 1, and July 1 of 1982. The secretary must be notified at least 30 days in advance of the beginning of each quarter during which the state wishes the secretary to perform this function. The secretary while operating the programs will do so under the Economic Opportunity Act as revised and will 1) make grants to community action agencies and other entities receiving funding during 1981, and 2) spend no more than five percent of the states allotment on HHS administration.

SRS has proposed accepting this block grant on January 1, 1982.

#### Estimation of Funds

The legislature based the \$1,083,262 appropriation for fiscal 1983 on Montana's share of the national authorization amount contained in the 1981 Omnibus Reconciliation Act. The Indian tribes are also eligible to receive a portion of the state's community services block grant allocation. They receive the same portion of a state's allotment as their portion of eligible Indians compared to eligible participants in the state. This means they receive an estimated 19.28 percent of the CSA block grant for fiscal 1982. Table 10 indicates the state and Indian share of the CSA grant and a comparison with the fiscal 1981 level of funding.

Table 10  
Fiscal Impact of Indian Tribe Allocation of CSA Grant

	<u>FY '81</u>	<u>Percent</u>	<u>FY '82</u>	<u>Percent</u>	<u>FY '83</u>
State (HRDC)	\$1,425,250	(24.00)	\$1,083,262	0	\$1,083,262
Indians	<u>-0-</u>	<u>100.00</u>	<u>258,738</u>	<u>0</u>	<u>258,738</u>
Total	\$1,425,250	(5.84)	\$1,342,000	0	\$1,342,000
	=====	=====	=====	=	=====



### Legislative Action

The legislature inserted the following language into HB 2 which directs SRS to distribute the community services block grant of \$1,083,262 in fiscal 1983 directly to the counties rather than to the HRDC's (human resource development councils).

"Item 7 is Montana's share of the community services block grant. The funds are to be distributed by SRS to the counties. A county may use such funds in any manner that is in conformance with the requirements set forth in Section 675, P.L. 97-35 (42 U.S.C. 9904). Fifty percent of the funds shall be distributed to counties based upon population (excluding Indian populations receiving such funds as provided in Section 674(c), P.L. 97-35 [42 U.S.C. 2808]). After public hearing, SRS shall develop a formula based upon county needs for distribution of the remaining 50% of such funds. SRS may consider such factors as numbers of public assistance recipients in each county, unemployment, per capita income, and age distribution in developing the needs formula."

The shift from HRDC's to counties can only be done in fiscal 1983 as indicated on page 16, number 2, under the title Funding Procedures. A list of the current HRDC's is provided in table 11.

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Table 11  
List of HRDC's in Fiscal 1981

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	<u>Location</u>
1. HRDC - District IX	Bozeman
2. Northwestern MT HR Inc.	Kalispell
3. Central MT HRDC VI	Lewistown
4. Opportunities Inc.	Great Falls
5. Action for Eastern MT	Glendive
6. HRDC - District IV	Havre
7. Rocky Mountain Development	Helena
8. HRDC - District XI	Missoula
9. Butte Silver Bow Anti-Poverty Council	Butte
10. HRDC - District VII	Billings

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Change 6: Reduced Administrative Costs to Administer the Community Services and Low Income Energy Assistance Block Grants

The legislature reduced SRS's federal appropriation authority by \$761,003 in fiscal 1982 and \$896,416 in fiscal 1983.

The department of community affairs (DCA) was dismantled by the 1981 legislature. SRS received the administrative responsibilities for the community services and low income energy assistance programs. These grants are decreasing and SRS required only a portion of the DCA staff and funding to carry out the functions of these programs. The legislature eliminated the excess federal appropriation authority.

Change 7: Administrative Savings From Reorganization

The legislature approved the administrative cuts detailed below for a total savings of \$1,557,829 of which \$509,094 was general fund.

After the 1981 legislative session the department of SRS was reorganized. Administrative savings resulted from this action. The economic assistance and medical assistance programs were able to save \$25,000 a year by consolidating a position. Federal funds for training eligibility technicians were decreased by \$11,000 per year because the federal matching rate was reduced from 75 percent to 50 percent.

The community services program saved \$313,470 by reducing six FTE. The aging services program was incorporated into the community services program. A savings of \$70,000 resulted from this action and is in the amount of savings cited for the community services program. There are not only these savings at the state level in the aging program but also an administrative savings in the seven area agencies. SRS proposes their budgets be reduced by 25 percent and the resulting funds go toward direct services. These actions have been taken at the initiative of SRS management and are not a consequence of federal fund cutbacks.

The administrative and support programs saved \$236,396 by reducing 7.00 FTE in fiscal 1982 and 6.5 FTE in fiscal 1983. An additional savings of \$113,599 results from foregoing equipment purchases, reducing the number of telephones and changing mail procedures.

There will be a savings of \$109,019 by decentralizing the merit system. This comes from saving \$145,019 for one and one-half years on the user charges for the merit system minus \$36,000 SRS will need to perform the merit system functions. The \$36,000 includes a personnel clerk, supplies, equipment and communications.

#### Change 8: Developmental Disabilities Division (DDD)

The legislature approved a savings of \$587,400 for the biennium by consolidating and reducing DD services in the DD program at administrative levels.

The DDD at the state level is combining the duties of regional clinical trainers and community organization workers with a resulting decrease of 3.62 FTE in fiscal 1982 and 7.25 in fiscal 1983. An operational cost savings of \$262,400 will result from personnel changes and additional reductions in consultants, travel and rent.

Table 12 shows the general fund savings due to consolidation of DDD services at the state level.

Table 12  
General Fund Cost Savings Due to Consolidation  
of DDD Services

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
FTE	3.62	7.25
Personal Services	\$ 69,000	\$104,400
Contracted Services	4,000	4,000
Supplies	4,000	4,000
Travel	33,000	33,000
Rent	<u>3,000</u>	<u>4,000</u>
Total	<u>\$113,000</u>	<u>\$149,400</u>

The department of SRS recommended reductions in current level of DD provider administrative services of \$625,000. The legislature approved reductions of \$325,000. This leaves \$300,000 that the legislature feels SRS may need so as not to cut direct DD services. However, the legislature intends that the \$300,000 be saved if SRS can guarantee direct services would not be affected.

#### Laws Affecting SRS

1. House bill 7 was approved by the legislature. It has two purposes. First, it allows SRS to approve the establishment of general assistance rules and standards by county welfare boards. Second, it allows general assistance to be paid directly to the vendor providing a service to the recipient. This bill becomes effective January 1, 1982.

2. House bill 13 was passed by the legislature for fiscal year 1983. It provides that a county will receive a 50 percent state matching grant-in-aid after expending eight mills of the 13.5 mills of the county poor fund for assistance to the needy. To qualify for the state match a county must

have a work program. Poor fund expenditures that subsidize a medical facility will not be allowable costs for a state grant-in-aid.

Based upon projections made by SRS approximately 24 counties will receive state grant-in-aid in fiscal 1983 at a cost of \$4.1 million general fund as shown in table 13. As indicated in the table a county need only levy 10.75 mills while the state contributes 2.75 mills to have expenditures reach the poor fund levy of 13.5 mills.

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Table 13  
State Cost of HB 13 Using SRS's Projections

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	<u>Fiscal Year 1983 General Fund</u>
Grant-in-Aid Over 10.75 Mills Levied	\$2.2
State Costs of 50% Match Over 8 Mills	<u>1.9</u>
Total House Bill 13	\$4.1 =====

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No funds for HB 13 were included in the appropriation for SRS. The state grant-in-aid mechanism reimburses a county, after an audit, for proper and reasonable poor fund expenditures as determined by SRS at the end of the fiscal year in which the expenditures occur. Thus, the funds for HB 13 will be appropriated by the 1983 legislature.

A P P E N D I X    A



AN ACT TO AMEND HOUSE BILL NO. 500, LAWS OF 1981, TO APPROPRIATE MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1983; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Be it enacted by the Legislature of the State of Montana:

Section 1. House Bill No. 500, Laws of 1981, is amended to read:

"Section 1. Short title. This act may be cited as the "General Appropriations Act of 1981".

Section 2. Definitions. For the purposes of this act, unless otherwise stated, the following definitions apply:

(1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.

(2) "Approving authority" means the governor or his designated representative for executive branch agencies; the chief justice of the supreme court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the board of regents for the university system.

(3) "University system unit" means the board of regents, office of the commissioner of higher education, the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college at Dillon, the agricultural experiment station with central offices at Bozeman, the forestry and conservation experiment station with central offices at Missoula, the cooperative extension service with central office at Bozeman, or the bureau of mines and geology with central office at Butte.

Section 3. Budget amendments. (1) The approving authority may approve a budget amendment to spend funds that were not available for consideration by the legislature but have become available from a source other than the state's general fund or earmarked revenue fund and other than receipts to the state from the United States government made available under provisions of P.L. 94-488, the federal Revenue Sharing Extension Act or any extension or modification of that act. Each budget amendment shall be submitted to the budget director and the office of legislative fiscal analyst.

(2) A budget amendment may be approved to spend money in the earmarked revenue fund only if the approving authority certifies that an emergency justifies the expenditure.

(3) A budget amendment may be approved for a time period greater than one fiscal year but not to exceed the biennium ending June 30, 1983. Budget amendments for greater than one fiscal year shall itemize planned expenditures by fiscal year.



Section 4. Amendment procedures. (1) In approving a budget amendment, the approving authority shall:

(a) certify specific additional services to be provided as a result of a higher expenditure level;

(b) certify that no other alternative is available to provide the additional services;

(c) certify that the additional proposed services have not been considered and rejected by the legislature;

(d) certify that no commitment, implied or otherwise, is made for increased future general fund support;

(e) specify criteria for evaluating the effectiveness of the additional services provided.

(2) The additional funds are appropriated contingent upon total compliance with all budget amendment procedures.

Section 5. Budget requests. Sufficient funds are appropriated in this act to enable each agency to submit its 1985 biennium budget request to the budget director and the legislative fiscal analyst pursuant to the time schedule established in 17-7-112(1). If any agency fails to submit its final, complete budget request by the deadlines established in 17-7-112(1), the expenditure authority herein granted shall be reduced or rescinded by the budget director unless the agency director certifies that an emergency situation has precluded a timely budget presentation and the budget director approves an extension not to exceed 30 days.

Section 6. Detailed budget information. Within 10 days after the 48th legislature convenes in regular session, the budget director and the legislative fiscal analyst shall mutually exchange expenditure recommendations by object of expenditure to the second level of detail and by funding source detailed by treasury fund. This information shall be filed in the respective offices and available to members of the legislature and the general public.

Section 7. Expenditure limit. Expenditures may not exceed appropriations.

Section 8. Other appropriated funds. Unless otherwise indicated herein, the appropriations made under the column heading "Other Appropriated Funds" are from funds within the earmarked revenue fund, the federal and private revenue fund, or the revolving fund that accrue under provisions of law to the expending agency. The social services, low income energy assistance, maternal and child health services, preventive health, community services, elementary and secondary education, community development, and alcohol, drug abuse, and mental health block grants have been considered and the funds applicable to the federal and private revenue fund have been appropriated. There are other funds which pass through the federal and private grant clearance fund which are not required by section 17-2-102(5), MCA, to have a specific legislative appropriation, these funds considered by the special session of the 47th legislature from the above eight block grants are appropriated for purposes of this bill.

Section 9. Operating budgets. Expenditures may be made only in accordance with operating budgets approved by the approving authority. The respective appropriations are contingent upon approval of the operating budget by July 1 of each fiscal year. Each operating budget shall include expenditures for each agency program detailed at least by personal services, operating expenses, equipment, benefits and claims, transfers, and local assistance.

Section 10. Access to records. No funds appropriated by this act may be expended for any contract, written or oral, for services with a nonstate entity for services to be provided by the nonstate entity to members of the public on behalf of the state unless such contract contains a provision allowing access to those records of the nonstate entity as may be necessary for legislative audit and analysis purposes in determining compliance with the terms of the contract. Each such contract may be unilaterally terminated by the state, and each contract shall so provide upon refusal of the nonstate entity to allow access to records necessary to carry out the legislative audit and analysis functions set out in Title 5, chapters 12 and 13.

Section 11. Reduction of appropriation. In the event of a shortfall in revenue, the governor may reduce appropriations. General fund appropriations may be reduced by not more than 15%. The following appropriations may not be reduced:

- (1) payment of interest and retirement of state debt;
- (2) the legislative branch;
- (3) the judicial branch;
- (4) public schools; or
- (5) salaries of elected officials during their term of office.

Section 12. Severability. If any section, subsection, sentence, clause, or phrase of this act is for any reason held unconstitutional, such decision does not affect the validity of the remaining portions of this act.

Section 13. Reversion. Notwithstanding other provisions of law, the unexpended balance of each appropriation reverts to the fund from which it was appropriated at the end of each fiscal year unless otherwise provided in this act.

Section 14. Other funds to offset general fund. The approving authority shall decrease the general fund appropriation of the agency by the amount of funds received from other sources in excess of the appropriation provided in this act unless such action is expressly contrary to state or federal law, rule, or contract or the approving authority certifies that the services to be funded by the additional funds are significantly different from those for which the agency has received an appropriation.

Section 15. National conference of state legislatures. Agencies may participate in the activities and programs of the national conference of state legislatures within existing appropriations.

Section 16. Coal tax trust income. Interest income from the coal tax constitutional trust fund established under Article IX, section 5 of the Montana Constitution is hereby appropriated to the general fund for use during the biennium ending June 30, 1983. The portion of the general fund which represents this appropriation is appropriated to the school foundation program in HB 611 (\$16,000,000), the highway earmarked revenue account (\$16,469,324), and to the department of commerce in HB 500, items 4, 5, 6, and 8 (\$1,580,676).

Section 17. Amounts appropriated for audits may be transferred between fiscal years.

Section 18. Totals not appropriations. The totals shown in the act are for informational purposes only and are not appropriations.

Section 19. Appropriations. The following money is appropriated only for the purposes shown for the respective fiscal years:

A. LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE AGENCIES

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
LEGISLATIVE AUDITOR	1,008,825	861,675	1,266,805	783,425
LEGISLATIVE FISCAL ANALYST	489,178		506,639	
LEGISLATIVE COUNCIL	1,905,829	318,200	1,801,835	42,000

The general fund appropriation for FY 1982 includes funds for CSG and NCSL travel, interim studies, Forestry Task Force, Revenue Oversight Committee, Administrative Code Committee, District and Apportionment Commission, coal tax oversight subcommittee, and Constitutional Convention Proceedings publication in the total amount of \$347,710 which is a biennial appropriation.

The 1982 appropriation for the legislative council contains \$6,000 in general fund for the coal tax oversight subcommittee. This biennial appropriation is contingent upon passage of SB 487.

ENVIRONMENTAL QUALITY COUNCIL	151,807	166,178
CONSUMER COUNSEL	460,752	479,237
JUDICIARY		
1. Supreme Court Operations	990,113	980,656
2. Boards and Commissions	141,182	145,269
3. Law Library		

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
4. District Courts	279,969		325,813	
5. Moving Expenses	1,537,532		1,545,622	
6. Moving Expenses: Rent Increase			31,342	
7. Montana Reports			130,301	
8. Audit	42,000		40,000	
9. Water Courts Supervision	10,000			
Total Judiciary	-----	227,543	-----	349,762
	3,000,796	227,543	3,199,003	349,762

If federal funds should be received for previously federal funded activities that have been general funded this biennium, a like amount of general fund, less matching requirements, shall be reverted to the general fund.

#### GOVERNOR'S OFFICE

1. Executive Office	761,732	18,450	757,638	
2. Mansion Maintenance	78,986		70,721	
3. Air Transportation	90,124		99,969	
4. Office of Budget and Program Planning	643,626		654,946	
5. Legal Jurisdiction	59,378		65,698	
6. Lieutenant Governor	173,141		179,332	
7. Citizens' Advocate	65,864		68,654	
8. Board of Visitors	46,813		48,545	
9. Old West Regional Commission Dues	15,000			
10. Engine Replacement	70,000			
11. Audit	16,000			
12. Contingency - Vacancy Savings	1,600,000			
Total Governor's Office	3,620,664	18,450	1,245,503	

Federal indirect cost reimbursements shall be reverted to the general fund.

Item 10 is an expense for the biennium.



Fiscal Year 1982		Fiscal Year 1983	
General	Other	General	Other
Fund	Appropriated Funds	Fund	Appropriated Funds

Item 12, a biennial appropriation, is solely for instructional faculty salaries in the six college and university units and shall only be expended if vacancy savings are not realized. As a further condition precedent to the expenditure of this item 12 appropriation, any of the said agencies requesting any portion of said appropriation shall submit a verified request therefor, which request shall be verified by the president of the requesting agency and supported by evidence itemized and detailed establishing, to the satisfaction of the governor, that the requesting agency is entitled to a portion of said funds. The request and supporting documentation must be submitted by March 15 of each fiscal year and shall be subject to the conditions herein set forth. The governor shall respond with his decision by April 15 of each fiscal year.

The above agencies shall, by July 1 of each fiscal year, submit for the current unrestricted subfund a detailed list of all FTE, faculty positions, each individual salary, and total budgeted benefits. The list shall equal total compensation at 100% excluding critical area faculty salary adjustment funds appropriated in this act for personal services. This total compensation figure may not from any individual agency be 3.6% greater than the operating budget for personal services for such agency. The list shall have at least these sections. Section 1 shall detail the positions which are eligible for the contingency vacancy savings appropriation. Any salary increases granted after this list is submitted will not be reimbursed from the vacancy savings fund. Section 2 shall detail all other staff. Section 3 shall detail by position the allocation of the critical area faculty salary adjustment funds.

In the event any such request is submitted and the governor shall find that the requesting agency has satisfied all the requirements and conditions herein set forth, the governor may issue his approval for expenditure of the said contingency-vacancy funds.

If the governor should determine, in his discretion, that any requesting agency has not satisfied the conditions of item 12 relating to a request for a portion of this appropriation, he may deny such request and such denial shall constitute final agency action.

#### SECRETARY OF STATE

1. Records Management	580,152	573,661	
2. Administrative Code	86,072	80,000	91,801
3. Audit			81,000
			6,000
4. Voter information pamphlets A-6			

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
5. Systems Development			53,000	
	<u>111,500</u>	-----	<u>88,500</u>	-----
Total Secretary of State	777,724	80,000	812,962	81,000

A budget amendment increasing the administrative code's revolving fund spending authority in item 2 may be approved only for additional printing expenses and related supplies and postage.

The secretary of state is directed to contract with the information systems division (ISD) for systems development.

#### COMMISSIONER OF POLITICAL PRACTICES

1. General Operations	120,466	116,992
2. Audit	-----	<u>3,000</u>
Total Commissioner of Political Practices	120,466	119,992

#### STATE AUDITOR

1. State Auditor	1,547,545	125,000	1,561,152	150,000
2. Actuarial Fees:				
Insurance Division	10,000		10,000	
3. Audit	<u>12,300</u>	-----	<u>35,300</u>	-----
Total State Auditor	1,569,845	125,000	1,606,452	150,000

In addition to the funds appropriated above, the local assistance distribution of funds provided for in 19-10-305(1), 19-11-512, 19-11-606, and 19-12-301 is appropriated.

Revenues generated under provisions of 50-3-109 shall be deposited to the general fund.

#### DEPARTMENT OF JUSTICE

1. General Operations	<u>6,285,288</u>	8,213,221	<u>6,469,784</u>	8,391,837
2. Case Travel:				
Legal Services Division	12,000		13,000	
3. Contracted Services:				
Antitrust	16,500		16,500	
4. Severance Pay	4,900			
5. Hearings Officer				

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
6. Audit				
	20,500	20,500		
7. Moving Costs				
		1,713	25,000	
8. Out-of-State Travel:				
Forensic Science	1,000		1,000	
9. County Attorney Payroll	602,395		602,395	
10. Transportation of Prisoners	113,902		129,115	
11. Radio Equipment	42,000		25,000	
12. a. SB 466		3,750		
b. HB 364	5,000		5,000	
c. HB 389		5,000		5,000
13. Highway Patrol Gasoline Allocation	841,252	-----	958,386	-----
Total Department of Justice	8,644,737	8,249,184	8,245,180	8,401,837

Appropriated amounts within item 2 are for case-related travel only.

Any fund balance remaining within the motor vehicle account at the end of a fiscal year shall revert to the general fund.

Any collections made by the county prosecutor services program or antitrust enforcement efforts shall be deposited to the general fund.

Item 4 contains \$4,900 for the biennium for severance pay, to be paid upon request from the county prosecutor program.

The rate charged by the agency legal services program may not exceed \$30 per hour in 1982 and \$35 per hour in 1983.

Collections made from hearings conducted by the motor vehicle division on dealer franchises shall be deposited to the general fund.

Of the remaining funds within the 1981 biennium appropriation for coal tax defense at June 30, 1981, \$50,000 is reappropriated for the 1983 biennium for the same purpose. These funds are approved for coal tax defense legal-related costs only. Funds not reappropriated for coal tax defense during the 1983 biennium shall revert to the general fund upon passage of this bill.



Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

Salaries as established for the forensic science division may not be altered or combined during the 1983 biennium to recreate the position of director of forensic services, which was specifically abolished by the legislature, or any other position which functions as a pathologist's assistant.

Amounts in item 12 are contingent upon passage of the noted bills.

The highway patrol may utilize funds within item 13 to purchase no more than 509,850 gallons of gasoline in fiscal 1982 and 491,480 gallons in fiscal 1983.

#### BOARD OF CRIME CONTROL

1. General Operations	218,250	391,250	217,900	404,400
2. <u>Matching Funds</u>	11,577			
3. Audit	1,150	12,850	-----	-----
Total Board of Crime Control	230,977	404,100	217,900	404,400

Should federal funds become available for the uniform crime reporting program or the criminal justice data center, a like amount of general fund, less the matching requirement, shall be reverted. The maximum general fund reversion is \$83,800 in 1982 and \$86,500 in 1983, less matching requirements.

For the board of crime control, federal funds received for action grants may be administratively appropriated through the federal and private grant clearance fund.

Item 2 is a biennial appropriation. These funds are limited to matching requirements of action grants received prior to fiscal 1982 but not yet disbursed.

#### DEPARTMENT OF HIGHWAYS

1. General Operations Division	7,545,871	7,591,008
2. Low-Band Radio Equipment	74,000	74,000
3. Construction Division	118,303,305	118,876,162
4. Maintenance Division	36,011,400	37,854,616
5. Preconstruction Division	12,435,358	12,198,196
6. Service Revolving Division	2,426,004	2,537,543
7. Motor Pool Division	1,036,727	1,160,844
8. Equipment Division		

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
9. Stores Inventory		11,369,034		12,113,491
10. Capital Outlay		13,341,876		14,518,052
11. Audit		570,072		571,153
		<del>20,625</del>		<del>61,875</del>
Total Department of Highways		203,134,272		207,556,940

The department of highways is directed to:

(1) Develop and institute a comprehensive construction project planning system. This system will be operational no later than July 1, 1985, and will be the basis for:

- (a) project scheduling;
- (b) project monitoring;
- (c) manpower planning;
- (d) work measurement and evaluation;
- (e) cash flow projections;
- (f) long- and short-range construction goals; and
- (g) budget preparation.

(2) Utilize the partial funding method for construction projects.

(3) Institute a cash forecasting system to minimize cash reserves.

(4) Maintain a surplus of completed construction plans in order to obligate and expend the maximum amount of federal dollars available for construction during the biennium.

(5) Submit to the 1983 legislature a construction work plan for the 1985 biennium that is detailed by year, project phase, and fund. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1985 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year, fund, and project phase.

(6) Institute a maintenance management system for the maintenance division that incorporates equipment needs and usage. This system will be operational no later than July 1, 1985.

(7) Conduct a thorough assessment of equipment needs

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

based on maintenance needs by geographic area.

(8) Submit to the 1983 legislature a maintenance work plan for all operational systems that ties directly to the maintenance division budget request for the 1985 biennium.

(9) Report quarterly to the legislative finance committee regarding the progress of the above-mentioned items.

Should additional federal money become available during the 1983 biennium for highway construction, highway earmarked funds shall be budget amended to the extent of matching requirements.

Earmarked revenue within the equipment division must be reduced dollar for dollar by revenue collected from the auction of equipment. This is contingent upon passage of SB 169.

The Helena headquarters van pool project administered by the department of highways may continue in operation and is to be operated on a self-supporting basis.

Funds may be transferred between line items 1, 3, 4, 5, 6, 7, and 8 to reflect actual personal service expense. No other transfers between line items may be made. This is not to be construed as permitting the transfer of full-time equivalent employees between programs, nor may there be an increase in the total number of appropriated full-time equivalent employees.

The conservation education program is funded.

The maintenance division is directed to establish a separate revolving account to reflect collections and expenditures related to damaged structures. One million dollars per year in highway earmarked funds will be replaced with revolving authority.

Funds within item 2 may be used to purchase low-band radio equipment only in emergency situations and also may be used to purchase high-band radio equipment in pilot project areas determined by the department of administration.

#### DEPARTMENT OF REVENUE

1. General Operations	12,340,311	1,325,313	12,490,050	1,359,671
2. Audit Costs	16,500	8,500	49,500	25,500
3. Legal Fees:				
Director's Office	25,000		25,000	
4. Recovery Services Division	197,718	593,153	199,603	598,807

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
5. SB 50				
	<u>-40,000</u>	<u>-----</u>	<u>-10,000</u>	<u>-----</u>
Total Department of Revenue	12,619,529	1,926,966	12,774,153	1,983,978

Should the recovery services division return \$1.05 in collections per \$1.00 expended in 1982, the appropriation in item 4 may be increased a maximum of \$16,000 from the general fund and \$48,000 in federal funds for fiscal 1983.

Cash within the central supply revolving account at 1981 fiscal year end must be deposited to the general fund. Collections from liquidation of inventory during the 1983 biennium must also be deposited to the general fund.

In addition to those amounts appropriated above, there are appropriated to the liquor division funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor monopoly. The division shall deposit not less than \$13 million of liquor profits to the general fund during the 1981 biennium. During the 1983 biennium, profits may not be less than 15% of net liquor sales and not less than \$13 million. Net liquor sales are gross liquor sales less discounts and all taxes collected.

The operational expenses of the liquor merchandising system may not exceed 15% of net liquor sales. Operational expenses may not include product or freight costs. The liquor division has full authority to determine store operating hours and the number and location of stores and employees and may raise or lower the liquor pricing formula to achieve the deposit requirement.

Nonprofitable state stores should be closed or converted to agency stores in an orderly manner. A nonprofitable store is one that shows a net loss or is less profitable than if run at agency store status after reducing gross revenues by all state excise and license taxes and by deducting therefrom all normal operating expenses, which include a pro rata share, based on gross sales, of central administrative office expenses.

The county commissioners of the various counties and the governing bodies of local government units shall provide office space in county courthouses or government office buildings to the department of revenue of the state for its use at no cost to the state. The department is not liable for any expenses in connection with the use of such space, including but not limited to rent, utilities, or janitorial services. The department shall use such space as offices for its agents: the county assessor, appraiser, and their respective staffs.

Item 5 is contingent upon passage of SB 50.



	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
DEPARTMENT OF ADMINISTRATION				
1. General Operations	4,231,557	13,795,950	4,260,356	13,992,768
2. Communication Expense - Communications Division		2,938,440		2,862,239
3. Insurance Expenses - Insurance Division	175,000	1,769,195	192,500	1,898,888
4. Audit Fees	31,500	104,000	16,000	55,500
5. Equipment - Duplicating Services		152,799		61,500
6. Systems Development - Purchasing Division	120,000		55,500	
7. Systems Development - Teachers' Retirement System		140,000		
8. Emergency District Court Funding	375,000		375,000	
9. Disability Benefit Review - Public Employees' Retirement System		5,625		3,750
10. Unified Firefighters - Public Employees' Retirement System		25,770		25,270
11. General Services - Additional Buildings		200,845		205,500
12. Rent - Transferred Divisions	26,458	26,707	28,712	29,312
13. Public Transportation Funds		75,000		75,000
14. Merit System Council		111,430		3,042
15. Workers' Compensation Judge		39,051		
Total Department of Administration	4,959,515	19,384,812	4,928,068	19,212,769

The agency shall charge those divisions not supported by general fund for legal services provided by the attorney in the central office, and such income shall be deposited in the general fund.

An additional accountant is provided in the architecture and engineering division for the 1983 biennium only.

The architecture and engineering program is funded solely from the long-range building account. Any fund balance at the end of a fiscal year shall be reverted to the long-range building account. This program shall assess a 1% charge on the cost of construction funded from accounts other than the long-range building account at the time a contract is let and this revenue shall be deposited to the long-range building account.

The intent of the legislature is that all office space rentals in Helena be based on competitive bid.

Fiscal Year 1982		Fiscal Year 1983	
General	Other	General	Other
Fund	Appropriated Funds	Fund	Appropriated Funds

The maximum length of a purchasing contract is extended to 5 years for the purchase of a new computer by the computer services division.

The state may continue to use its own printing facilities.

The graphic arts bureau of the publications and graphics division shall establish a separate revolving fund and shall become a self-supporting operation.

The office of budget and program planning shall assure reimbursement to the general fund for all management studies or systems support needs assessments provided by the consulting services bureau to nongeneral funded agencies if those agencies have sufficient funding available.

The board of investments shall operate under an earmarked fund.

As of July 1, 1981, interest generated on the \$2.5 million loan to the self-insurance fund shall be deposited to the sinking fund that loaned the funds. Repayment of the loan shall occur at such time as the invested funds reach par.

All employees working under the direction of the workers' compensation judge shall be classified.

In the local government services division, general fund money is provided only for administrative support, which includes 6.7 full-time employees, and related support costs. Auditing services are expected to be self-supporting.

The budgeting, accounting, and reporting system (BARS), which is being implemented statewide into local governmental entities, is expected to be completed no later than June 30, 1984.

Item 9 provides for emergency funding of the district courts in those instances when a court incurs extraordinary expenses due to an extended criminal case or state government-related suits in Lewis and Clark County. These funds shall not be used for usual court operations or additional social service programs.

Emergency funds to Lewis and Clark County for state government-related suits will not exceed 10% above the revenue collected through the 6-mill levy.

No more than \$9,000 may be spent during the biennium on a consumer health education program. All funds expended must be matched by a like amount from the health insurance carrier.

Fiscal Year 1982		Fiscal Year 1983	
General	Other	General	Other
Fund	Appropriated	Fund	Appropriated
	Funds		Funds

Item 10 is contingent upon passage of HB 372.

Item 11 is contingent upon passage of HB 674.

Item 12 is contingent upon the purchase of additional buildings, as referred to in HB 666, and the assumption of related maintenance duties by the department. The amount of funds spent shall be prorated based on the remaining portion of the fiscal year.

Item 13 contains the spending authority necessary to fund the lease agreement and other related costs for those divisions located in the building at 1424 Ninth Avenue. When this building is purchased by the state and maintenance responsibilities are assumed, all of the remaining funds in item 13, except for the prorated remaining portion of the annual charge of \$3.02 per square foot in fiscal 1982 and \$3.09 per square foot in fiscal 1983 that the department of administration shall charge for rent and repair expenses, shall revert.

The accountant added in item 11 is for this biennium only.

#### DEPARTMENT OF MILITARY AFFAIRS

##### 1. Adjutant General

828,740	688,435	902,865	753,687
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##### 2. Disaster and Emergency Services

174,075	290,992	175,747	297,008
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##### 3. Audit

6,150	3,850		
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##### 4. Renovation of Emergency Operations Center

-----	75,000	-----	-----
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##### Total Military Affairs

1,008,965	1,058,277	1,078,612	1,050,695
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Item 4 is a biennial appropriation to the department of military affairs for the improvement of the emergency operations center.

All departments within section A may purchase low-band radio equipment on an emergency basis only. The department director shall certify on the purchase order the nature of the emergency.

#### TOTAL LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE

40,108,857	236,249,231	38,669,282	240,496,043
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#### B. HUMAN SERVICES

#### DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

##### 1. Operations

3,109,328	17,627,602	3,193,148	17,435,118
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	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
2. Audit	2,873	8,377	8,616	25,134
3. Subdivisions Bureau		79,856		79,856
4. <u>Medicaid Certification Matching Funds</u>			2,500	
Total Department of Health and Environmental Sciences	3,112,201	17,715,835	3,204,264	17,540,108

In item 3 \$39,928 each year is contingent upon legislative approval of the governor's amendment to HB 179.

No funds are appropriated for the hazardous waste program. However, the department may budget amend federal spending authority for the hazardous waste program if these federal funds become available and no additional general fund is required.

Funds within item 4 may be used as match only if federal funds become available for the medicaid certification grant in excess of \$176,000.

The department may accept and administer the maternal and child health block grant and the preventive health block grant.

Budget amendments which meet the budget amendment criteria may be approved for those programs where transferred excess federal authority has been reduced.

The state will not administer the primary care block grant in fiscal 1983.

#### DEPARTMENT OF LABOR AND INDUSTRY

1. Labor Administration	430,137	423,601
2. Labor Standards	369,476	69,332
3. Personnel Appeals	318,604	8,000
4. Employment & Training	248,808	264,821
<u>a. Migrant and Youth Training</u>	127,069	131,969
5. Human Rights	122,355	75,657
6. Employment Security	13,304,514	13,523,106
7. Workers' Compensation	906,149	4,650,371
8. Audit	35,000	4,287
Total Department of Labor and Industry	1,716,584	12,648,883

1,699,734 20,635,185

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

In item 2, upon receipt of the federal veterans' administration contract general fund of \$7,254 in fiscal 1982 and \$2,762 in fiscal 1983 shall be reverted.

In item 5, general funds shall revert in the amount that other appropriated funds exceed the amounts shown for each fiscal year.

No funds may be used for a women's bureau.

The division of workers' compensation shall study performance factors that measure the division's operational effectiveness. The intent is to determine if the workers' compensation division budget should be based on performance measurements rather than expenditure limitations. This study shall be presented to the governor and the legislative finance committee by August 1, 1982.

#### DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

1. General Operations	23,050,557	22,711,675	22,881,755	24,169,166
2. Medicaid State Institutional Reimbursements	3,277,327		3,612,174	
3. Medicaid	27,738,475		29,288,976	
4. Department of Community Affairs -- Community Services		365,471		437,537
5. Audit	23,000	123,000		
6. HB 258	53,865	100,035	53,865	100,035
7. Community Services Block Grant				1,083,262
Total Department of Social and Rehabilitation Services	54,143,224	23,300,181	55,836,770	25,790,000

Within other appropriated funds in item 1 is no more than \$175,000 for the biennium for the operation of the developmental disabilities policy advisory council. Any federal money received above this amount may be spent only to improve direct client services as recommended by the council and approved by the SRS director.

The department is encouraged to utilize medicaid funds to support community services for the developmentally disabled where the use of such funds is cost-effective in providing services in the least restrictive environment. The department may use any savings generated from the budget for the developmentally disabled to develop additional community services.

The department of social and rehabilitation services shall assure that the community developmental disabilities group homes are reporting all financial transactions through a uniform accounting system including a single chart of

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

accounts and accounting manual.

No money may be disbursed to the homes after July 1, 1982, unless the director of the department of social and rehabilitation services certifies to the legislative finance committee that the group homes are recording and reporting financial information uniformly.

The director shall reorganize the vocational rehabilitation and visual service programs to effect administrative economies and maintain direct benefits to clients within the appropriations herein provided. At least 15% of federal funds available for vocational rehabilitation shall be expended for the blind.

The governing body of any area agency on aging that contracts with SRS shall conduct its business in open meetings as required by Title 2, chapter 3, MCA.

The department shall monitor and assess the activities of the area agencies on aging for implementation of the department-approved area plans for aging services and shall report to the legislative finance committee, no later than 60 days prior to the beginning of the 48th legislative session, the extent to which the area agencies have complied with the area plans and the extent to which the area agencies have cooperated with the local government funding sources.

When federal funds for health underserved rural areas, Indian health services or certification surveys by the department of health and environmental sciences decrease or end, there is to be no state funding of these services during the biennium.

The department may use general fund money appropriated in item 3 together with matching federal funds to augment item 2. The department shall fully match the appropriation in item 2 at the maximum allowable federal rate with federal medicaid funds. In item 2 and item 3 general fund appropriated for fiscal 1983 may be transferred to fiscal 1982 if there are further reductions in the federal medicaid funds. Expenditures from all funds for item 3 may not exceed \$75,048,766 in fiscal 1982.

By August 1, 1982, the department shall identify all optional services by specific type provided under the medicaid program. The identification must include the number of recipients, cost per optional service, and the impact of not funding each option.

If appropriated funds are not sufficient to provide medical care for all eligible persons, the department shall use the following priorities in keeping expenditures within appropriations: A-18

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

(1) limit the increases in reimbursement paid per service for medical care to no more than 10% for each fiscal year of the 1983 biennium to the maximum extent feasible; and

(2) limit eligibility and amount, scope, and duration of medical services provided.

The payment standard for families under the aid to families with dependent children program (AFDC) shall be an equal percentage of the poverty index according to family size. The payment standard for a family of two may not exceed \$258 in fiscal 1982 and \$280 in fiscal 1983.

Item 4 may be merged into the department of social and rehabilitation services' organizational structure or transferred to another state agency by approval of the governor's office. The legislative finance committee must be informed of any interagency transfers. The appropriation authority must be accounted for by a unique appropriation number in the statewide budgeting and accounting system.

The funding of item 6 is contingent upon passage and approval of HB 258.

The day-care rate per day for homes is not to exceed \$6.00 in fiscal 1982 and \$6.50 in fiscal 1983. The rate per day is not to exceed \$7.00 in fiscal 1982 and \$7.50 in fiscal 1983 for day-care centers.

All medicaid expenses shall be accrued in the appropriate fiscal year as required by the state modified accrual system of accounting. The legislative auditor shall audit the medicaid accrual by October 1 of each year to test for compliance with this requirement.

The legislature has determined that the requirements set forth in section 5, House Bill 94, Laws of 1981, restricting the use of appropriations to the department of social and rehabilitation services in regards to medicaid accruals are no longer necessary, therefore, except as expressly provided within this act, there are not restrictions relating to accrual procedures for any appropriation denominated "medicaid accrual" in any appropriations measure passed by the 47th legislature; thus the department may have cash outlays against medicaid accrual appropriations.

In the amount the social services block grant funds exceed \$6,206,500 in fiscal 1982, SRS shall revert a like amount of general funds. If the social service block grant funds are less than \$6,206,500 in fiscal 1982, SRS may transfer general fund from fiscal 1983 in item 1 to replace the amount of decreased social service block grant funds.



Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

For the 1983 biennium SRS shall transfer 10% of the amount received from the low income home energy assistance block grant not to exceed \$1,668,724 to the social services block grant.

Because of the uncertainty in federal funding in fiscal 1981, the department should anticipate receiving the level of federal funding for AFDC, Medicaid, and Title XX calculated in the appropriations until funds at the federal level are allocated.

Item 7 is Montana's share of the Community Services Block Grant. The funds are to be distributed by SRS to the counties. A county may use such funds in any manner that is in conformance with the requirements set forth in Section 675, P.L. 97-35 (42 U.S.C. 9904). Fifty percent of the funds shall be distributed to counties based upon population (excluding Indian populations receiving such funds as provided in Section 674(c), P.L. 97-35 (42 U.S.C. 2808)). After public hearing, SRS shall develop a formula based upon county needs for distribution of the remaining 50% of such funds. SRS may consider such factors as numbers of public assistance recipients in each county, unemployment, per capita income, and age distribution in developing the needs formula.

#### TOTAL HUMAN SERVICES

58,972,009	60,664,904	60,740,768	63,965,223
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#### C. NATURAL RESOURCES AND BUSINESS REGULATION

##### DEPARTMENT OF AGRICULTURE

##### 1. Centralized Services

106,606	412,133	121,025	587,620
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##### 2. Legislative Audit Fee

10,102	4,898		
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##### 3. Rural Development Program

	33,553		35,714
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##### 4. Hail Insurance Unit

1,650	230,744	1,660	937,585
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##### 5. Crop and Livestock Unit

47,500	13,900	56,069	13,900
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##### 6. Transportation Unit

73,916	50,000	73,383	50,000
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##### 7. Wheat Research and Marketing

	550,259		578,457
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##### 8. Environmental Management Division

268,825	605,362	388,196	440,346
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##### 9. Plant Industry Division

420,577	496,886	362,681	506,043
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##### Total Department of Agriculture

229,175	3,097,792	1,003,014	3,142,665
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Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

All indirect cost assessments received from Old West Regional Commission grants must be deposited in the general fund.

# DEPARTMENT OF COMMERCE

1. Director's Office		121,432		126,249
2. Centralized Services		270,105		274,427
a. Legislative Audit				50,000
b. Moving Expenses		39,900		
3. Aeronautics Division		798,363		861,883
4. Administrative Support - Economic Development	27,399	86,808	19,194	104,558
5. Business Assistance Bureau	<del>92,622</del>	<del>184,123</del>	<del>134,461</del>	<del>127,273</del>
6. Board of Housing		470,496		490,281
7. Travel Promotion Program	600,000	100,000	700,000	200,000
8. Coal Board		9,314,904		11,306,975
<del>9. Hard Rock Mining Board</del>	<del>125,000</del>			
10. Rail Planning Program	60,119	<del>3,241,736</del>	39,056	<del>1,269,875</del>
11. Community Development Program	229,415	<del>718,279</del>	236,180	<del>693,551</del>
12. Indian Affairs Program	81,505		82,950	
13. Business Regulation and Licensing Administration	132,598	254,775	141,220	269,329
14. Weights and Measures Program	361,229		344,183	
15. Financial Program	537,070		554,076	
16. Milk Control Program		224,856		234,127
17. Consumer Protection Program	83,684		84,879	
18. Board of Architects		23,796		24,870
19. Board of Barbers		21,979		23,420
20. Board of Chiropractors		13,220		13,695
21. Board of Cosmetologists		97,550		101,536
22. Board of Dentistry		31,231		33,284
23. Electrical Board				



	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
		59,623		62,942
24. Board of Hearing Aid Dispensers		5,238		5,524
25. Board of Horseracing		212,848		224,455
26. Board of Massage Therapists		5,321		5,633
27. Board of Medical Examiners		72,367		77,488
28. Board of Morticians		13,826		14,975
29. Board of Nursing		141,249		145,922
30. Board of Nursing Home Administrators		18,375		19,171
31. Board of Optometrists		12,245		13,006
32. Board of Osteopathic Physicians		801		869
33. Board of Pharmacists		83,173		86,659
34. Board of Plumbers		62,565		64,501
35. Board of Professional Engineers and Land Surveyors		98,548		103,682
36. Board of Public Accountants		121,861		114,538
37. Board of Realty Regulation		259,542		269,579
38. Board of Veterinarians		18,667		19,837
39. Board of Water Well Contractors		18,333		19,381
40. Board of Psychologists		11,301		12,677
41. Board of Sanitarians		4,646		5,004
42. Private Investigators Program		3,897		4,022
43. Board of Landscape Architects		6,791		7,304
44. Board of Speech Pathologists and Audiologists		7,342		7,881
45. Board of Radiologic Technologists		8,901		9,385
46. Board of Podiatry Examiners		1,098		1,161
47. Board of Physical Therapy Examiners		4,273		5,278
Total Department of Commerce	2,337,641	17,967,914	2,336,129	18,206,407

The director's office and centralized services shall be operated from a revolving account, with all earmarked and

Fiscal Year 1982		Fiscal Year 1983	
General	Other	General	Other
Fund	Appropriated Funds	Fund	Appropriated Funds

federal accounts assessed a pro rata share of the total expenses. The revolving account shall be initiated with a loan from one of the accounts under the department's supervision and operated on a full accrual basis and in accordance with generally accepted accounting principles.

The department is authorized to reorganize its current organizational structure only after receiving approval from the office of budget and program planning and review by the legislative finance committee.

Included in the weights and measures program appropriation for fiscal 1982 is \$5,000 to be available for expenditure only if the cost of a new truck and trailer exceeds \$30,000.

Coal impact grants may be granted to local government units only to remedy a situation resulting from coal development. The local government unit must be making a bona fide local effort to provide for its own needs through normal financing channels (taxes, service fees, or bonds).

Those divisions and bureaus of the department of commerce that are moved from private to state-owned office space shall revert the resulting savings in rent, utilities, taxes, and other expenses.

Item 9 is a biennial appropriation.

The department of commerce is authorized to administer the community development block grant.

#### DEPARTMENT OF FISH, WILDLIFE, AND PARKS

1. Centralized Services Division			
	3,345,294		3,469,096
2. Legislative Audit	45,000		
3. Purchase of Cessna 180	54,210		
4. Ecological Services Division	744,740		759,203
5. Fisheries Division	2,213,411		2,202,311
6. Enforcement Division	2,924,202		2,935,004
7. Game Damage	65,000		65,000
8. Wildlife Division	3,018,696		3,107,075
9. Recreation and Parks Division	587,349	1,417,279	627,117
10. Conservation Education Division			1,492,042
	968,677		989,140
11. Administration			

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
	-----	463,167	-----	467,167
Total Department of Fish, Wildlife, and Parks	587,349	15,319,682	627,177	15,486,104

None of the funds appropriated to the department may be used for the purchase or study of the purchase of any type of abandoned right-of-way.

Included in the centralized services appropriation is revolving account authority of \$1,075,833 in fiscal 1982 and \$1,183,417 in fiscal 1983. The revolving accounts must be operated on a full accrual basis and in accordance with generally accepted accounting principles.

An additional \$500,000 a year is authorized in centralized services for the purpose of providing expenditure authority for federal and private funds that previously required budget amendments. Funds spent under this authorization must be accounted for separately from regular operations.

The Helena-based pilots shall be delegated enforcement responsibilities whenever they are not required for air transportation purposes.

The administration division appropriation includes:

(a) \$80,000 a year for transfer to the department of livestock for predator control;

(b) \$25,000 a year for the department to begin training to initiate the conservation officer concept within the department. A progress report on this effort must be made to the 1983 legislature.

(c) \$24,000 a year for uniforms or distinctive clothing for all field personnel outside of the enforcement division.

Items 1, 4, 5, 6, 8, 9, 10, and 11 contain a total of \$456,298 in fiscal 1982 and \$511,607 in fiscal 1983 to be spent only for gasoline.

#### DEPARTMENT OF STATE LANDS

1. Central Management Program	722,169	250,464	717,917	246,317
2. Legislative Audit	15,000			
3. Reclamation Program		7,368,739		7,894,841
4. Land Administration Program	176,000	60,259	175,000	47,991
5. Resource Development Program	-----	574,934	-----	468,043
Total Department of State Lands				

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
913,169	8,254,396	892,917	8,657,192

The other funds appropriations for the central management program provide for salary and expenses of the Northern Powder River Environmental Impact Statement Team. The eight FTE approved for the team may continue only as long as federal funds are available to provide support.

#### DEPARTMENT OF LIVESTOCK

1. Centralized Services	73,320	<del>242,962</del>	75,820	<del>257,460</del>
2. Legislative Audit	3,250	9,750		
3. Diagnostic Laboratory Program	294,894	306,839	304,754	316,700
4. Disease Control Program		636,605		635,757
5. Milk and Egg Program	176,096	11,500	183,023	12,000
6. Inspection and Control Program		1,576,968		1,611,730
7. Predator Control Program		278,863		295,881
8. Rabies and Rodent Control Program	<del>70,482</del>	<del>15,000</del>	<del>71,018</del>	<del>15,000</del>
Total Department of Livestock	618,049	<del>3,085,487</del>	634,615	<del>3,144,528</del>

#### DEPARTMENT OF NATURAL RESOURCES

1. Centralized Services Division	1,059,202	<del>636,138</del>	1,051,051	<del>468,663</del>
2. Legislative Audit	18,400	21,600		
3. Oil and Gas Regulation Division		689,798		693,932
4. Conservation District Supervision Division		441,953		477,377
5. Water Resources Division	1,632,061	<del>2,347,098</del>	1,782,524	<del>2,114,307</del>
6. Forestry Division	3,149,988	2,767,281	2,943,379	2,817,674
7. Energy Division	329,975	3,242,757	350,105	3,502,341
8. Facility Siting Division	<del>208,705</del>	<del>1,500,000</del>	<del>213,182</del>	<del>1,000,000</del>
Total Department of Natural Resources	6,398,331	<del>11,646,625</del>	6,340,248	<del>11,074,294</del>

Included in the facility siting division appropriation of other funds for fiscal 1982 is \$500,000 resource indemnity trust fund interest to continue the appropriation of HB 908 of the 1979 legislature. The appropriation allows continuation of studies for the possible construction of a MHD engineering test facility in Montana. Expenditure of these funds is limited to the original appropriation.



Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

The forestry division general fund appropriation for fiscal 1982 includes a \$180,000 biennial appropriation to acquire and upgrade firefighting vehicles and equipment for distribution to nine county cooperative fire districts. The districts shall operate and maintain the equipment.

Included in the general fund appropriation in item 5 for fiscal year 1983 is \$186,000 for either a grant to an irrigation district formed to operate the Daly ditch water project for the purpose of operating and maintaining the project for 1 year or, if an irrigation district is not formed, for use by the department in administering the abandonment of the project, including the removal of structures.

Included in the oil and gas regulation division appropriation each year is \$65,000 of resource indemnity trust fund interest for the purpose of repairing and plugging abandoned oil and gas wells.

All federal Clark-McNary (CM-2) funds received by the department in excess of \$250,000 per year will be deposited in the general fund.

Any federal funds received for the HIPLEx project may be added through the budget amendment process.

#### PUBLIC SERVICE COMMISSION

##### 1. General Operations

1,184,442	19,310	1,195,975	19,310
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##### 2. Legislative Audit

7,000;

##### 3. Special Audit

50,000

Total Public Service Commission

1,241,442	19,310	1,195,975	19,310
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The appropriation in item 3 will continue the audit and any litigation related to commission docket no. 80.8.55. The appropriation may be spent only for determining the original cost of Montana Power Company's hydroelectric properties or litigation related thereto.

#### TOTAL NATURAL RESOURCES AND BUSINESS REGULATION

13,025,157	59,391,206	13,030,145	59,727,500
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#### D. DEPARTMENT OF INSTITUTIONS

##### CENTRAL OFFICE

##### 1. Director's Office

237,041	28,994	235,510	32,616
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	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
2. Alcohol & Drug Abuse Division	194,239	1,481,319	203,871	1,521,787
3. Corrections Division	3,292,217		3,346,939	
4. Management Services Division	732,502	122,422	791,981	73,937
5. Mental Health Division	3,957,049	464,315	4,352,354	369,234
6. Audit			16,145	8,855
7. Building Space	76,713	21,754	77,318	21,926
8. Women's Correctional Facility				
a. General Operations	143,897		400,049	
b. Contingency	15,120		92,030	
c. Construction	93,564	-----	-----	-----
Total Central Office	8,742,342	2,125,804	9,516,247	2,057,455

The Montana drug program shall be funded at 32 percent general fund and 68 percent federal funds.

General fund distribution by the mental health division to community mental health programs may not exceed \$3,756,453 in fiscal 1982 and \$4,147,272 in fiscal 1983. These amounts include pay raises. Sixty thousand dollars of funds appropriated for community mental health programs may be used to support programs provided by the current friends to youth program for emotionally disturbed children.

No general fund money may be used to support the manpower or community support programs.

Funds authorized in item 8 may not be used to establish a women's unit at Mountain View School.

Item 7 contains spending authority necessary to fund the lease agreement and other related costs for the central offices of the department of institutions. When this building is purchased by the state, all appropriated funds in item 7 except \$3.02 per square foot in fiscal 1982 and \$3.09 per square foot in fiscal 1983 in proportion to the time period remaining each fiscal year shall revert.

Item 8c and the amount appropriated in HB 666 for Spruce cottage is for the purpose of remodeling and renovation of the women's correctional facility.

It is the intent of the legislature that the department of institutions apply for the full amount of federal funds available through the Omnibus Reconciliation Act of 1981



Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

for mental health programs during federal fiscal years 1982 and 1983. Any funds received by the department of institutions may be budget amended under the provisions of House Bill 500, section 3, to maintain current level community mental health programs. It is also the intent of the legislature that expenditures for community mental health programs not exceed available revenues. The department of institutions may not spend more than 75% of the federal fiscal 1983 mental health block grant funds in state fiscal year 1983. The department must carry forward 25% of the federal fiscal 1983 block grant into state fiscal year 1984.

Excess alcohol and drug abuse block grant funds not appropriated by the special session of the legislature cannot be budget amended into current level alcohol or drug abuse programs. Any excess funds shall be available for appropriation by the 48th legislature.

If the women's correctional facility is not operational by April 1, 1982, any excess funds authorized in item "8a" for fiscal 1982 may be used to fund costs associated with keeping women offenders out-of-state beyond April 1, 1982.

The appropriations contained in item "8b" for fiscal 1983 contain \$46,948 for an in-state contingency fund which may be used only if the women's correctional facility exceeds 20 women inmates in fiscal 1983, the Billings' life skills center is at 80% capacity and the specific nature and need for additional funding has been approved by the office of budget and program planning. Also contained in item b for fiscal 1983 is \$45,082 for an out-of-state contingency fund which may be used if all budgeted out-of-state slots are filled, the state of Montana does not have adequate security facilities to house the inmate, and the specific reasons for the inmate to be transferred out-of-state has been approved by the office of budget and program planning.

#### BOULDER RIVER SCHOOL AND HOSPITAL

##### 1. General Operations

9,308,901	20,724	9,364,280	59,059
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##### 2. Audit

15,000	-----	-----	-----
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#### Total Boulder River School and Hospital

9,323,901	20,724	9,364,280	59,059
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#### CENTER FOR THE AGED

##### 1. General Operations

1,939,921	9,458	1,965,887	9,729
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##### 2. Audit

-----	-----	7,000	-----
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#### Total Center for the Aged

1,939,921	9,458	1,972,887	9,729
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Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

The amounts of \$18,964 in fiscal 1982 and \$21,771 in fiscal 1983 of the general fund appropriations must be used for a fire alarm system maintenance contract or be reverted to the general fund.

#### EASTMONT TRAINING CENTER

1. General Operations	1,530,951	<u>36,502</u>	1,542,725	<u>38,923</u>
2. Audit			<u>6,500</u>	
Total Eastmont Training Center	1,530,951	<u>36,502</u>	1,549,225	<u>38,923</u>

#### GALEN STATE HOSPITAL

1. General Operations	4,405,192	1,306,988	4,366,991	1,366,719
2. Audit	<u>12,000</u>			
Total Galen State Hospital	4,417,192	1,306,988	4,366,991	1,366,719

#### WARM SPRINGS STATE HOSPITAL

1. General Operations	11,182,794	<u>166,431</u>	11,374,319	<u>169,659</u>
2. Audit			<u>16,000</u>	
Total Warm Springs State Hospital	11,182,794	<u>166,431</u>	11,390,319	<u>169,659</u>

Funds may be transferred between Warm Springs state hospital and Galen state hospital by the budget amendment process. If applicable and warranted, further consolidation may take place between the two facilities.

#### MOUNTAIN VIEW SCHOOL

1. General Operations	1,310,400	<u>13,612</u>	1,316,744	<u>60,702</u>
2. Audit			<u>8,020</u>	
Total Mountain View School	1,310,400	<u>13,612</u>	1,324,744	<u>60,702</u>

#### PINE HILLS SCHOOL

1. General Operations	1,986,558	<u>479,240</u>	1,972,777	<u>460,466</u>
2. Audit			<u>11,000</u>	
Total Pine Hills School	1,986,558	<u>479,240</u>	1,983,777	<u>460,466</u>

#### MONTANA STATE PRISON

1. General Operations	<u>6,864,680</u>	73,041	<u>7,035,842</u>	73,980
2. Ranch		1,384,106		1,398,723

	Fiscal Year 1982		Fiscal Year 1983	
	General	Other	General	Other
	Fund	Appropriated	Fund	Appropriated
		Funds		Funds
3. Industries	143,500	193,342	78,000	295,671
4. Canteen		250,469		250,521
5. License Plate Factory		491,242		529,593
6. Audit			11,967	3,033
Total Montana State Prison	7,008,180	2,392,200	7,125,809	2,551,521

Item 1 includes \$10,200 for EY 1982 and \$20,500 for EY 1983 for prisoner "gate money". If it is determined that the released person should receive \$100 "gate money", the prison is to buy a ticket to the person's destination first and then disburse any remaining funds to the released person.

#### SWAN RIVER YOUTH FOREST CAMP

1. General Operations	637,902	96,981	642,792	96,080
2. Audit			6,000	
Total Swan River Youth Forest Camp	637,902	96,981	648,792	96,080

#### VETERANS' HOME

1. General Operations	486,575	714,000	470,033	727,500
2. Audit			6,000	
Total Veterans' Home	486,575	714,000	476,033	727,500

#### BOARD OF PARDONS

1. General Operations	100,242		102,106	
2. Audit				
Total Board of Pardons	102,242		102,106	

Personal services expenditures may not exceed the following level plus pay plan appropriations or budget amendments from unanticipated funds for each institution or program listed.

	Fiscal Year 1982	Fiscal Year 1983
	General Fund	Other Appropriated Funds
		General Fund
		Other Appropriated Funds
	Fiscal 1982	Fiscal 1983
Director's Office	226,892	226,892
Alcohol and Drug Abuse Division	530,438	530,438
Corrections Division	1,653,652	1,653,996
Management Services Division	697,809	686,221
Mental Health and Residential Services	344,378	344,378
Boulder River School and Hospital	7,666,835	7,666,835
Center for the Aged	1,491,662	1,491,662
Eastmont Training Center	1,311,589	1,311,589
Galen State Hospital	4,694,991	4,694,991
Mountain View School	1,155,201	1,155,498
Pine Hills School	2,019,866	1,975,381
Montana State Prison	5,062,818	5,076,689
Swan River Youth Forest Camp	479,892	479,989
Veterans' Home	882,356	882,538
Warm Springs State Hospital	9,266,217	9,266,217
Board of Pardons	80,004	80,004

If utilities expenditures exceed the amounts listed below, the institution may ask for a supplemental appropriation. If utilities do not exceed the anticipated amounts, the difference will be reverted to the general fund.

Boulder River School and Hospital	484,045	542,130
Center for the Aged	85,125	95,340
Eastmont Training Center	47,989	53,748
Galen State Hospital	326,794	366,010
Mountain View School	47,911	53,660
Pine Hills School	114,992	126,422
Montana State Prison	239,486	267,766
Swan River Youth Forest Camp	45,253	50,683
Veterans' Home	91,286	102,241
Warm Springs State Hospital	724,971	811,968
Corrections Division	22,401	25,090

#### TOTAL DEPARTMENT OF INSTITUTIONS

48,668,958	1,492,640	49,821,210	1,597,813
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#### E. OTHER EDUCATION

##### BOARD OF PUBLIC EDUCATION

1. Administration	79,104	79,020
2. Fire Services Training School	178,478	173,406
Total Board of Education	257,582	252,426

The board of public education shall be provided office space free of charge in the building leased by the state and paid from the appropriation to the commissioner of



Fiscal Year 1982		Fiscal Year 1983	
General	Other	General	Other
Fund	Appropriated Funds	Fund	Appropriated Funds

higher education. The fire service training school shall be provided office, storage, and classroom space, inclusive of weekend janitorial service, in the Great Falls vocational-technical center at no charge.

#### PUBLIC SCHOOL SUPPORT

1. Special Education	23,254,921	25,347,864
2. Special Education Emergency Contingency	500,000	500,000
3. Audiological Services	<u>688,614</u>	<u>750,589</u>
Total Public School Support	24,443,535	26,598,453

Item 1 is for foundation and permissive support of the maximum-budget-without-a-vote for special education.

Item 2 is for emergencies that may arise in special education programs at local districts. A district's board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction a child-study team report and an individual educational plan for each child relating to this unforeseen expense and a current listing of programs, case loads, and related costs. The appropriation in item 2 is for the biennium and the specific amounts may be transferred between fiscal years.

Item 3 is for purchase of audiological services by the office of public instruction. These amounts may not be transferred between fiscal years. Any unused amounts revert at the end of the fiscal year.

Notwithstanding other provisions of law, the superintendent may not approve a maximum-budget-without-a-vote for special education which, in the aggregate, exceeds \$51,041,988 in the 1983 biennium.

Federal funds to support special education programs in excess of \$5,110,000 during the 1983 biennium shall be placed in a reserve fund and not spent until appropriated by the 1983 legislature.

#### SUPERINTENDENT OF PUBLIC INSTRUCTION, VOCATIONAL-TECHNICAL CENTERS

1. Billings Center				
a. Personal Services	434,969	490,694	487,031	521,942
b. Operating Expenses	133,475	166,368	194,230	208,152
c. Equipment	6,288	7,196	6,454	7,030
d. Audit Costs				

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
	14,000			
2. Butte Center				
a. Personal Services	588,475	304,643	663,752	327,519
b. Operating Expenses	76,437	46,300	119,901	59,162
c. Equipment	14,637	7,513	14,833	7,317
d. Audit Costs				
	13,000			
3. Great Falls Center				
a. Personal Services	539,848	360,799	602,669	379,037
b. Operating Expenses	128,719	86,028	176,418	119,759
c. Equipment	23,449	15,751	31,182	18,718
d. Audit Costs				
			14,000	
4. Helena Center				
a. Personal Services	898,055	429,643	990,158	457,023
b. Operating Expenses	254,922	121,958	347,259	167,205
c. Equipment	38,958	18,642	44,438	20,412
d. Audit Costs				
			15,000	
5. Missoula Center				
a. Personal Services	917,631	526,547	997,856	576,298
b. Operating Expenses	217,738	133,548	283,644	163,814
c. Equipment	56,276	32,194	32,102	18,613
d. Audit Costs				
	15,000			
6. Office of Budget and Program Planning				
CETA Contingency Funds				
	44,000			
7. Office of Public Instruction				
	-----	-----	229,508	-----
Total Vocational-Technical Centers	4,415,877	2,747,824	5,250,455	3,052,001

The superintendent of public instruction may transfer funds between personal services, operations, and equipment within each vocational-education center or between vocational-education centers. The intent of the legislature is that these appropriated funds not provide for salary increases at the vocational-education centers above the state pay plan for fiscal years 1982 and 1983.

Receipt of state funds appropriated to the five technical centers is contingent upon each county in which the center



Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

resides levying 1.5 mills each fiscal year. Millage received by the centers from the 1.5 mill levy over \$765,101 in fiscal 1982 and \$804,733 in fiscal 1983 will revert a like amount to the general fund each year.

Item 6 is to be distributed to the Billings center if CETA funds are not available to the center in fiscal 1982.

Item 7 is to replace anticipated reductions in federal funds appropriated to the vocational-technical centers. If, in state fiscal 1983, federal funds available for use at the centers is less than \$1,078,492, each dollar reduction below this level shall be replaced from this contingency funds. No center is eligible to receive contingency funds unless resident tuition for a full-time student is \$150 per quarter in fiscal 1983.

If the total federal vocational-education funds granted to Montana for fiscal 1983 exceed \$2,086,590, the office of public instruction shall, to the maximum extent allowable by federal law, make the additional funds available, (not to exceed \$1,308,000), to the vocational-technical centers. The additional funds shall first be used to reduce contingency amounts in item 7 and secondarily used to reduce tuition.

#### OFFICE OF PUBLIC INSTRUCTION

1. Office of Public Instruction	1,566,750	3,209,704	2,009,284	2,367,602
2. Audit Costs			50,000	
3. School Transportation	4,724,445		5,019,250	
4. School Lunch	731,494		807,449	
5. Adult Education	121,881		132,851	
6. Secondary Vocational Education	1,500,000			
7. Building Space	116,897	10,740	130,662	1,911
Total Office of Public Instruction	8,761,467	3,220,444	8,150,196	2,372,513

Other appropriated funds in item 1 contain \$369,182 in fiscal 1982 and \$302,327 in fiscal 1983 for internal transfers of indirect costs. General fund money shall revert in the amount indirect costs in excess of these amounts are recovered.

The office of public instruction shall revert general fund to the extent that the education block grant allocation for state administration plus available carry-over funds exceed \$325,600 in fiscal 1983.

Fiscal Year 1982  
Other  
General      Appropriated  
Fund          Funds

Fiscal Year 1983  
Other  
General      Appropriated  
Fund          Funds

Item 6 is for the biennium.

Item 7 contains the spending authority necessary to fund the lease agreement and other related costs of the office of public instruction building at 1300 Eleventh Avenue. When this building is purchased by the state, all appropriated funds in item 7 except \$3.02 per square foot in fiscal 1982 and \$3.09 per square foot in fiscal 1983 in proportion to the time period remaining each fiscal year shall revert.

All revenues received in the state traffic education account under provisions of 20-7-504 are appropriated to be distributed as provided in 20-7-506.

#### ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

1. General Operations	92,000		94,000
2. Audit	<u>2,000</u>		-----
Total Advisory Council for Vocational Education	94,000		94,000

#### STATE LIBRARY

1. General Operations	332,472	759,794	417,771	809,245
2. Administration Program - Moving Costs	20,000			
3. Library Networking Operations		77,300		73,549
4. Audit	<u>3,300</u>	<u>2,700</u>	-----	-----
Total State Library	355,772	839,794	417,771	882,794

Item 2 is for the biennium ending June 30, 1983.

Item 3 consists of earmarked funds generated under 15-35-108(2)(i). These funds are appropriated for networking operations at the state library. All other funds generated pursuant to this section shall be distributed to the library federations.

#### MONTANA HISTORICAL SOCIETY

1. Administration, Library, Archives, and Museum Programs	613,113	100,800	619,701	100,800
2. Historic Sites Program	56,422	56,423	57,630	57,630
3. Publications Program	35,162	123,944	36,827	129,812
4. Merchandising Program		284,337		287,515
5. Audit	<u>2,899</u>	<u>2,101</u>	<u>8,728</u>	<u>6,272</u>
Total Montana Historical Society				

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
707,596	567,605	722,886	582,029

Item 4 contains \$20,000 in fiscal year 1982 and \$20,000 in fiscal year 1983 for internal transfers of profits generated by the merchandising program.

#### MONTANA ARTS COUNCIL

1. General Operations	76,222	222,270	81,719	230,628
2. Local Community Grants	20,275		20,275	
3. Audit	<del>3,500</del>	<del>3,500</del>		
Total Montana Arts Council	99,997	225,770	101,994	230,628

#### SCHOOL FOR THE DEAF AND BLIND

1. General Operations	1,391,483	264,439	1,482,165	522,929
2. Audit	<del>15,000</del>			
Total School for the Deaf and Blind	1,406,483	264,439	1,482,165	522,929

Expenditures of interest and income revenue may not exceed \$223,931 in fiscal 1982 and \$226,935 in fiscal 1983.

#### TOTAL OTHER EDUCATION

40,448,302	8,259,876	42,976,346	7,739,894
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#### F. HIGHER EDUCATION

For units of the university system other than the office of the commissioner of higher education, the appropriations made under the column heading "Other Appropriated Funds" are from funds within current unrestricted funds unless otherwise indicated.

All funds, other than plant funds and those specifically appropriated herein, may be spent and are appropriated contingent upon approval by the board of regents by July 1 of each year of a comprehensive program budget containing a detail of revenues and expenditures and anticipated fund balances of current funds, loan funds, and endowment funds. All movement of funds between the current unrestricted subfund and the designated subfund accounting entities shall be clearly identified in the state budgeting and accounting system.

Programs for the university budgets include instruction, organized research, public service, academic support, student services, institutional support, and operation and maintenance of plant.

Included within other appropriated funds to the six

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

institutions is the sum of \$12,488,450 in fiscal year 1982 and \$13,579,452 in fiscal year 1983 from revenues generated under the provisions of House Bill 191, 46th legislature.

The amounts shown for critical area faculty salary adjustments are appropriated to the colleges and universities contingent upon approval by the board of regents of a salary distribution plan or negotiated agreement for each campus. It is the legislature's intent that the critical area faculty salary adjustment funds be expended in those academic disciplines where difficulty is experienced recruiting or retaining faculty due to external market conditions.

#### BOARD OF REGENTS

23,029	25,104
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#### COMMISSIONER OF HIGHER EDUCATION

##### 1. Office Administration

624,554	<del>24,310</del>	633,221
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##### 2. WAMI

1,491,997	1,625,272
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##### 3. WICHE - Student Assistance

627,100	911,000	500,800	1,143,000
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##### 4. WICHE - Administrative Dues

46,300	50,000
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##### 5. University of Minnesota - Rural Dentistry

153,600	168,000
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##### 6. SSIG

175,000	211,592	175,000	211,592
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##### 7. NDSL

100,000	100,000
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##### 8. Audit

<del>6,000</del>	
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##### Total Commissioner of Higher Education

3,224,551	<del>1,146,902</del>	3,252,293	<del>1,354,592</del>
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#### COMMUNITY COLLEGES

##### 1. Miles Community College

779,222	819,247
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##### 2. Dawson Community College

587,208	639,498
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##### 3. Flathead Valley Community College

<del>1,127,029</del>	<del>1,185,178</del>
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##### Total Community Colleges

2,493,459	2,643,923
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The above appropriation provides 53 percent of the total unrestricted budgets for the community colleges that shall be approved by the board of regents.

The general fund appropriation for each community college includes 53 percent of the total audit cost. The remaining audit costs shall be paid from local funds. Audit costs



Fiscal Year 1982		Fiscal Year 1983	
Other		Other	
General Fund	Appropriated Funds	General Fund	Appropriated Funds

are not to exceed \$17,000 for each unit for the biennium.

#### BUREAU OF MINES

1,210,783	141,600	1,228,570	155,800
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#### AGRICULTURAL EXPERIMENT STATION

##### 1. Agricultural Experiment Station

4,448,576	2,275,276	4,570,687	2,359,167
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##### 2. United States Range Station

-----	201,226	-----	227,288
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##### Total Agricultural Experiment Station

4,448,576	3,177,202	4,570,687	3,286,455
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#### COOPERATIVE EXTENSION SERVICE

1,644,433	1,631,270	1,607,040	1,755,623
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#### FORESTRY AND CONSERVATION EXPERIMENT STATION

500,773	594,407
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#### MONTANA STATE UNIVERSITY

##### 1. Instruction

10,754,709	7,587,801	10,587,516	7,793,104
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##### 2. Critical Area Faculty Salary Adjustment

186,191	128,809	198,595	143,405
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##### 3. Organized Research

412,098	285,092	419,429	302,870
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##### 4. Public Service

5,159	3,569	5,017	3,623
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##### 5. Academic Support, Student Services, and Institutional Support

5,580,112	3,860,358	6,003,155	4,334,873
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##### 6. Operation and Maintenance of Plant

2,174,812	1,504,549	2,285,575	1,650,411
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##### 7. Scholarships and Fellowships

392,782	271,729	431,975	311,929
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##### 8. Audit Costs

<u>18,840</u>	<u>13,035</u>	<u>6,172</u>	<u>4,455</u>
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##### Total Montana State University

19,524,703	13,654,942	19,937,432	14,544,670
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Total audit costs are estimated to be \$85,000 for the biennium. Fifty percent of those costs are to be paid from funds other than those appropriated by the legislature.

#### UNIVERSITY OF MONTANA

##### 1. Instruction

8,773,903	5,460,204	8,732,602	5,692,301
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##### 2. Critical Area Faculty Salary Adjustment

152,343	92,657	162,479	103,521
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##### 3. Organized Research

220,080	133,856	222,794	141,951
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##### 4. Public Service

100,589	61,180	102,605	65,373
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##### 5. Academic Support, Student Services, and Institutional Support

	Fiscal Year 1982		Fiscal Year 1983	
	General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
	4,899,936	2,980,227	5,180,245	3,300,525
6. Operation and Maintenance of Plant	2,370,108	1,441,542	2,507,881	1,597,864
7. Scholarships and Fellowships	394,307	239,825	416,972	265,669
8. Audit Costs	<u>19,820</u>	<u>12,055</u>	<u>6,490</u>	<u>4,135</u>
Total University of Montana	16,931,086	10,421,546	17,332,068	11,171,339

Total audit costs are estimated to be 185,000 for the biennium. Fifty percent of those costs are to be paid from funds other than those appropriated by the legislature.

#### EASTERN MONTANA COLLEGE

1. Instruction	2,876,473	1,585,378	2,754,541	1,727,227
2. Critical Area Faculty Salary Adjustments	43,158	22,342	44,940	27,060
3. Public Service	22,797	12,065	22,155	13,340
4. Academic Support, Student Services, and Institutional Support	2,201,727	1,165,294	1,984,834	1,195,140
5. Operation and Maintenance of Plant	1,039,378	550,105	1,049,692	632,058
6. Scholarships and Fellowships	130,359	68,994	125,640	75,652
7. Audit Costs	<u>7,283</u>	<u>3,855</u>	<u>14,114</u>	<u>8,498</u>
Total Eastern Montana College	6,321,175	3,408,533	5,995,916	3,678,975

Total audit costs are estimated to be 145,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

#### NORTHERN MONTANA COLLEGE

1. Instruction	1,784,498	757,333	1,767,099	816,710
2. Critical Area Faculty Salary Adjustment	11,359	4,641	12,107	5,393
3. Public Service	6,376	2,605	6,388	2,945
4. Academic Support, Student Services, and Institutional Support	877,010	358,345	943,010	420,070
5. Operation and Maintenance of Plant	440,490	179,984	451,192	200,986
6. Scholarships and Fellowships	86,263	35,247	82,950	36,950
7. Audit Costs	<u>13,977</u>	<u>5,711</u>	<u>4,539</u>	<u>2,023</u>
Total Northern Montana College				



Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds
3,219,973	1,343,866	3,267,285	1,484,977

Total audit costs are estimated to be \$35,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

#### WESTERN MONTANA COLLEGE

1. Instruction	730,977	369,544	720,410	388,313
2. Critical Area Faculty Salary Adjustment	5,413	2,587	5,960	3,040
3. Academic Support, Student Services, and Institutional Support	645,051	308,224	676,244	344,918
4. Operation and Maintenance of Plant	343,219	164,000	354,136	180,628
5. Scholarships and Fellowships	32,118	15,347	33,035	16,850
6. Audit Costs	<u>4,440</u>	<u>2,122</u>	<u>13,038</u>	<u>6,650</u>
Total Western Montana College	1,761,218	861,824	1,802,823	940,399

Total audit costs are estimated to be \$35,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

#### MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY

1. Instruction	1,648,006	1,096,383	1,695,835	1,127,568
2. Critical Area Faculty Salary Adjustment	104,903	69,212	112,992	74,514
3. Organized Research	23,912	15,776	26,265	17,321
4. Academic Support, Student Services, and Institutional Support	906,491	598,075	1,156,466	762,650
5. Operation and Maintenance of Plant	631,925	416,925	673,835	444,405
6. Scholarships and Fellowships	100,090	66,037	104,423	68,863
7. Audit Costs	<u>10,168</u>	<u>6,707</u>	<u>10,169</u>	<u>6,706</u>
Total Montana College of Mineral Science and Technology	3,425,495	2,269,115	3,780,035	2,502,027

Total audit costs are estimated to be \$45,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

Funds appropriated to the colleges and universities in all items except audit costs and critical area faculty salary

Fiscal Year 1982		Fiscal Year 1983	
General Fund	Other Appropriated Funds	General Fund	Other Appropriated Funds

adjustments may be transferred between items within a fiscal year through budget amendment approved by the board of regents.

TOTAL HIGHER EDUCATION

64,729,254	38,056,800	66,037,583	40,874,857
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GRAND TOTAL

265,952,544	410,114,657	271,275,334	420,411,400
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Section 20. Effective date. This act is effective July 1, 1981."

Section 2. Effective date. This act is effective on passage and approval.

Approved December 4, 1981, except for the items vetoed and set forth in the veto message filed this date with the Secretary of State.



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